



Daily Report

Latin America

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7 September 1988

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Cartagena Consensus Experts Meet in Montevideo
*PY0209205088 Madrid EFE in Spanish 2354 GMT
1 Sep 88*

[Text] Montevideo, 31 Aug (EFE)—Experts from the 11 most heavily-indebted Latin American countries have decided to ask their governments to carry out more specific negotiations with the industrialized countries which make up "the Group of Seven," aimed at obtaining more favorable debt repayment terms.

Today in Montevideo the Cartagena Consensus foreign debt experts ended a 3-day meeting, during which they exchanged information on the last mechanism adopted in negotiations with creditor countries and analyzed the results obtained in the past few months.

Representatives from Argentina, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Mexico, Ecuador, Peru, and Venezuela met with Gustavo Magarinos, Uruguayan Foreign Ministry director for political and economic affairs, who presided over the meeting.

The Uruguayan representative is the Cartagena Consensus temporary secretary. The consensus is made up of the countries accounting for 90 percent of Latin America's \$500-billion debt. The consensus analyzed the technical results of the industrialized countries' summit in Toronto, Canada last June.

During the meeting in Montevideo, it was acknowledged that "some progress" has been made in the way developed countries have approached to debt issue.

During the "summit," the United States, the FRG, Great Britain, Italy, Canada, Japan, and France agreed that the foreign debt burden may affect the democratic stability of Latin American countries.

The Cartagena Consensus experts said in Montevideo that Latin American countries need resources to meet their foreign debt obligations. They made it clear that since most of these resources come from their exports, it is essential to "lift protectionist measures" imposed by the developed countries.

The experts stressed that if "protectionism" continues, it will be more difficult for debtor countries to obtain the funds they need to repay their debts.

According to the conclusions reached by the experts in Montevideo, the U.S. trade law was submitted to a preliminary analysis and they decided to step up studies to detect any eventual restrictions caused by this law.

The delegates also decided that the economy ministers of the 11 countries will meet in Uruguay in the first few months of 1989.

L.A. Indian Legislators Score U.S. Policies
*PA0309023988 Managua Domestic Service in Spanish
1200 GMT 1 Sep 88*

[Excerpts] During a meeting of Latin American Indian legislators, the 23 delegates agreed to reject the policy of aggression implemented by the U.S. Administration against Nicaragua's constitutional government and people. The meeting ended last night in Managua.

A motion, introduced by the Peruvian delegate, states that Indian legislators will contribute to peace efforts by introducing proposals in parliaments and governments throughout the continent calling on the Contadora and Support Groups to resume their initiative to find a solution to the Central American conflict. The Indian legislators agreed to pressure the contras to return to the bargaining table, as called for in the Sapoa agreement, and reach a final cease-fire. They also demanded that the U.S. Congress stop funding the contras.

Moreover, the Indian legislators backed Nicaragua's proposal for the creation of a multinational force to ensure that Honduran territory is not used as a base to attack Nicaragua.

Reaffirming the right of the Latin American people to their identity and liberty, the 23 delegates to the Indian Parliament of Latin America last night created the Indian Parliament of America. They set up a commission to draft the charter of that parliament. The commission is to submit its work during the third meeting of Indian legislators of America, which will be held in Mexico next year.

The basic concepts of the Indian Parliament of America are as follows: It is the organization that represents the Indian Parliaments that are democratically elected in American countries; it is the social forum where the Indian legislators of America will discuss Indians' problems; the legislators will suggest the appropriate measures to solve these problems. [passage omitted]

The Indian Parliament of America decided to establish its headquarters in Nicaragua. The leadership of Indian Parliament of America will be made up as follows: Mexican Rodrigue Pedraza Martinez, president; Guatemalan (Claudio Cotaj), first vice president; Peruvian Alejandro Herrera, second vice president; Argentine Nieves Ramirez, third vice president; Guatemalan Fernin Gomez, secretary general; Nicaraguan (Peyton Lau), finance secretary; Venezuelan (Bember Iguaran), secretary of international relations; Panamanian Guillermo Jimenez, permanent executive secretary; and Peruvian (Caiciano Jiron), deputy permanent secretary. [passage omitted]

Cuba

Spokesman Denies Troops in Angola Reinforced
FL0709010088 Havana Television Service in Spanish
0000 GMT 7 Sep 88

[Text] Bilateral contacts prior to the resumption of talks on southwest Africa took place today in Brazzaville, capital of the People's Republic of the Congo. Shortly after arriving at the Maya Maya International Airport, the joint Angolan-Cuban delegation held talks with U.S. representatives who, as you know, are acting as mediators. A similar meeting was to have taken place between the Americans and the South African delegation in the evening.

Alcibiades Hidalgo, spokesman for the Cuban side, denied U.S. State Department statements indicating that Cuba began a reinforcement operation of the Caribbean troops in Angola.

The talks began in London last May and continued in Cairo in June, New York in July, and Geneva at the beginning of August. The fifth round took place in Brazzaville at the end of last month. It will continue tomorrow after being suspended for consultations.

U.S. Reports 'Fantasy'

FL0709122488 Havana Radio Progreso Network
in Spanish 1100 GMT 7 Sep 88

[Text] Cuba termed as reports with a good dose of fantasy statements made by the U.S. State Department which say that there is a reinforcement operation of Cuban internationalist troops in Angola.

The statement was made to the press in Brazzaville, the Congo by Alcibiades Hidalgo, the spokesperson for Cuba in the quadripartite talks on southwest Africa. He said the Cuban troops in Angola are reinforced according to foreseen needs. He said there is a good dose of fantasy in the claim that there is anything unusual about the number of troops and equipment going to Angola.

Hidalgo clarified that the arrival of new equipment and previously planned forces continues and will continue as long as a definitive agreement is not reached to resolve the conflict. The Cuban spokesperson emphasized that supplying the troops is now even more important, quantitatively and qualitatively. He added that it is basically being done to supply the needs of the troops present in southern Angola which must be ready for any eventuality.

Delegations to 4-Way Talks in Brazzaville
AB0609140788 Paris AFP in French 1323 GMT
6 Sep 88

[Text] Brazzaville, 6 Sep (AFP)—Members of the delegations participating in the sixth four-way meeting on Angola and Namibia's independence arrived in the Congolese capital today. This meeting concerns essentially

the timetable for the withdrawal of the Cuban contingent from Angola. At the end of a first meeting in Brazzaville from 24 to 26 August this year, the parties (Angola, Cuba, United States, South Africa) had thought it necessary to call a "suspension" of the talks to enable them to consult their respective governments. The duration of the fresh negotiations has not been officially stated, but it is generally expected that these talks will end on Friday evening [9 September] or Saturday morning. It has also been confirmed that the issue of American aid to UNITA [National Union for the Total Independence of Angola] (armed opposition to the Luanda government) will again be raised, according to what has been said in the Congolese capital.

The delegations were to be led by the same individuals as during the first session in Brazzaville. The United States is participating in the talks as a mediator in the Angolan conflict. The U.S. assistant secretary of state for African affairs, Mr Chester Crocker, arrived in Brazzaville yesterday, while Mr Jim Woods, assistant under secretary for defense in charge of international security, who was absent during the first Brazzaville conference, was expected there early this evening.

The Angolan delegation, led by General Antonio dos Santos Franca, chief of staff of the People's Armed Forces for the Liberation of Angola (FAPLA) and deputy minister of defense, accompanied by Venancio de Moura, deputy minister of external relations, and Fernando Dias Franca Van Dunem, minister of justice, arrived this morning. The general was received by Congolese President Denis Sassou-Nguesso.

Carlos Aldana Escalante, secretary of the PCC Central Committee, heads the Havana delegation. He is accompanied by the chief of staff of the Cuban Armed Forces, General Ulises Rosales del Toro, and the Cuban deputy minister of external relations, Ricardo Alarcon de Quesada.

The South African delegation is expected this evening, and it is expected to be led, as it was in the first round of the Brazzaville talks, by Peter Neil Van Heerden, director general of the Ministry of Foreign Affairs, accompanied by the chief of staff of the South African Armed Forces, General Johannes Geldenhuys.

Finally, Vladilen Vassev, head of a department of the Soviet Ministry of Foreign Affairs, is also expected in the Congolese capital. As an unofficial observer, he will not directly participate in the meetings, but he had many contacts with the American, Angolan, and Cuban sides during the first meeting.

All the delegations are lodged in the same hotel, which was transformed into a permanent center for the conference and for informal contacts from 24 to 26 August.

Early this morning, the American representatives held talks with South African experts who had arrived before the official Pretoria delegation.

Colome Bestows Order on Cuito Cuanavale Veteran
*FL0309141088 Havana Tele-Rebelde Network
in Spanish 1300 GMT 3 Sep 88*

[Text] The Camilo Cienfuegos Order has been bestowed on Lieutenant Colonel Hector Aguilar Perez for his merits in the battle for the defense of Cuito Cuanavale. Division General Abelardo Colome Ibarra, member of the PCC Politburo and first vice president of the FAR, pinned the order on the chest of the veteran combatant. Aguilar Perez spoke during the ceremony.

[Begin Aguilar Perez recording] I have experienced today one of the most moving moments of my life. This order is the result of the sacrifices of the comrades who fought together with me in Angolan territory. I have thought about them more than myself because they helped with their blood, sweat, and effort to achieve the victory we attained in the People's Republic of Angola. [end recording]

Malmierca Leads Delegation to Nonaligned Meeting

Cypriot President Cited
*FL0609142988 Havana Tele-Rebelde Network
in Spanish 1100 GMT 6 Sep 88*

[Text] Yeoryios Vasiliou, president of Cyprus, praised the creative feats of Cuba in the struggle of African nations, especially in the defense of Angola's integrity, the independence of Namibia, and an end to apartheid.

Vasiliou's statements were made to Cuban Minister Isidoro Malmierca, who is heading our country's delegation to the ministerial conference of the Nonaligned Movement, which began yesterday at the level of experts in Nicosia.

The Cypriot leader also spoke to Malmierca about his desire to visit Cuba and to express to President Fidel Castro his gratitude for the role of the Cubans in the struggle of the Third World countries.

Cuba Heads Political Commission
*FL0609142788 Havana Tele-Rebelde Network
in Spanish 1100 GMT 6 Sep 88*

[Text] The 1st day of sessions of the Nonaligned Movement ministerial meeting in Nicosia ended yesterday with the election of Cuba to preside the political commission and with the arrival of additional ministers who will participate in the meeting.

The election of the host country for the next summit of the Nonaligned Movement [word indistinct] has the attention of journalists and delegates. Yesterday, the subject became one of special interest when the official spokesperson for the meeting confirmed that, to date, Nicaragua and Indonesia are the only countries that have officially requested to host the heads of state conference in their territory next year.

Reception Held for Delegations
*FL0709023888 Havana Radio Reloj Network
in Spanish 0202 GMT 7 Sep 88*

[Excerpt] Cuban Foreign Minister Isidoro Malmierca has hosted a reception in Nicosia, Cyprus for the delegations attending the Nonaligned Movement ministerial meeting beginning tomorrow. Foreign ministers from Asia, Africa, and Latin America and other heads of delegations attended the event, held at the Filoxenia Hotel, next to the International Conference Center in the Cypriot capital. [passage omitted]

Soviet Ambassador Tours Villa Clara Province
*FL0709022588 Havana Television Service in Spanish
0000 GMT 7 Sep 88*

[Excerpt] Yuriy Petrov, member of the CPSU Central Committee and Soviet ambassador to Cuba, today ended a visit to various industries with Soviet advisers in Villa Clara Province. Accompanied by Tomas Cardenas, first secretary of the party in the territory and member of the PCC Central Committee, Petrov placed a floral wreath at the foot of the monument in honor of the action against the armored train. [passage omitted]

Rodriguez at Cienfuegos Uprising Anniversary
*FL0509213588 Havana Radio Reloj Network
in Spanish 1932 GMT 5 Sep 88*

[Text] Carlos Rafael Rodriguez, member of the PCC Central Committee Politburo, has presided over the main ceremony marking the 31st anniversary of the civilian and navy armed uprising in Cienfuegos on 5 September. The ceremony was held at the national monument dedicated to the heroes and martyrs of the heroic deed at the Tomas Acea Cemetery. Thousands of people attended, including combatants and relatives of those who fell.

The traditional pilgrimage left from the Marti Park in Cienfuegos for the cemetery early this morning. Symbolic attacks on the former San Lorenzo School also took place. Thousands of students of various levels, workers, combatants, and people from the territory commemorated the 1957 armed uprising, when revolutionaries were able to free the city from the dictatorship for several hours.

Merchandise Unloading Rate at Ports Remains Low
*FL0109130788 Havana Tele-Rebelde Network
in Spanish 1100 GMT 1 Sep 88*

[Text] The rate of unloading and transporting of merchandise from the principal bays throughout the country continues to be lower than anticipated. This has caused the volume of merchandise to remain high in storage areas and warehouses despite the emergency plan to provide support for the port system, which was approved on 25 August.

The nonfulfillment of transportation goals affects the situation at all ports throughout the country. The organizations involved in the port-transportation network are called upon for more support to attain greater efficiency.

The limited hours for receiving merchandise at the internal economy warehouses is one reason for the congestion at ports, such as Mariel.

The situation at Havana Bay is complicated by a considerable volume of merchandise sitting on ships.

The unloading and transporting of merchandise has also not been fulfilled in Cienfuegos. Its [words indistinct] up to now have been much lower than anticipated.

Promptness and efficiency should be the key words of the members of the port-transport, internal economy network.

Report Says Incidence of AIDS 'Minimal'
FL0209134888 Havana Radio Progreso Network
in Spanish 1100 GMT 2 Sep 88

[Text] At the national level, 10 people have died of AIDS, 28 infected people are under specialized medical care, and 248 zero-positive cases have been detected. Official reports say that 2.7 million people have been examined. This demonstrates that the incidence of the disease is minimal.

Antigua and Barbuda

Minister Blames Power Outages on Sabotage
FL0609163388 Bridgetown CANA in English
2325 GMT 6 Sep 88

[Text] St. John's, Antigua, Sept. 5, CANA—Antigua and Barbuda's Public Utilities Minister Robin Yearwood blamed saboteurs Monday for power outages which have raised public and opposition criticism. Elements were at work to sabotage the electricity system, Yearwood said in parliament during a session broadcast live on radio.

Yearwood, who was responding to opposition demands that the government explain the power problems, said: "It is not being done by ordinary people, those who are doing it know about electricity." The minister said saboteurs had been at work on the new twin generating plant at Crabbs, the feeder lines and on vehicles belonging to the Public Utilities Authority (APUA), the state agency responsible for electricity, water and telephone services.

He said government had to call in an expert from California to look at the problem before it decided to start the other engine. The minister continued: "people have had scholarships in Cuba to do electricity and none of them have come to the APUA and we are the largest employer of anybody dealing with electricity." The political forces in

this country are sabotaging the electricity system. They hit the pump to cool the engine with the oil when she is coming down. We have narrowed some options," Yearwood said.

He added that although security had been tightened around the three plants with the assistance of the Antigua Defence Force, the saboteurs still managed to puncture all the tyres for APUA's transport vehicles on Friday evening. "When people stoop that low it is all our lives that are at stake. We have no control when somebody wants to sabotage because they do not give us notice," Yearwood told the House of Assembly.

The minister said that a close eye was being kept on all APUA employees and everybody connected with the system and he called on the public to look out for any sinister moves.

Bahamas

Central Bank Governor Denies Devaluation Rumors
FL0609210388 Nassau Domestic Service in English
1700 GMT 6 Sep 88

[Text] The governor of the Central Bank of the Bahamas, Mr James Smith dispelled a vicious rumor circulating around town, especially among Bay Street merchants today, that the Bahamian dollar is to be devalued against the U.S. dollar.

Mr Smith said the rumor is totally without foundation and persons involved should desist because it could have far-reaching implications. (Martin Aubery) has the story:

[Begin (Aubery) recording] Mr Smith said the major objective of the Bahamas economic policy is to maintain a one-to-one parity with the United States because it is good for our number one industry, tourism, and there is no pressure on the country's economy to warrant even the consideration of devaluation. Mr Smith further stated that a decision to devalue the dollar would not be taken without widespread consultation from the government and private sector. He said the economy of the Bahamas was too open, noting that some 17 to 20 cents of each dollar of our foreign earnings is spent on imports to support the tourism sector and to devalue the dollar would cost the country more and possibly bring about a lower-level of service in the industry.

Refusing to second guess the motive behind the rumor, Mr Smith said it could be mischief. He said anyone participating in spreading such a rumor is not helping himself or anyone else because a rumor of this nature could have far-reaching implications. [end recording]

Grenada

Minister Denies Intention To Unseat Blaize
FL0609154688 Bridgetown CANA in English
1434 GMT 6 Sep 88

[Text] St George's, Grenada, Sept 6, CANA—Public Utilities Minister Dr Keith Mitchell has denied reports that he was trying to unseat Grenada's aging Prime Minister Herbert Blaize. What is happening, he said, is that there is a "growing debate" within the party as to its future in terms of the methods of operations and other issues related to the whole question of preparation for forthcoming general elections. "I think that is the fundamental point and I think the country is certainly looking forward to that serious debate and the result of it", he told CANA. The debate, he said, is not related to the question of positions within the party. "That's not important at all. What is important is how we operate, how do we deal with the issues of governing, and the methods of consultation and relationship", he said.

His remarks follow a complaint from the Grenada Hotel Association (GHA) that signs of divisiveness have been evident in the four-year-old New National Party (NNP) Government. Sources within the GHA report that the association was approached by one senior government minister who indicated that Mitchell was heading on a collision course with Blaize, who is now 70. The GHA told the government that if the reports were true then it should call fresh elections and allow the electorate to judge the issue in the interest of stability.

According to Mitchell, who is also the NNP's general secretary, it is the internal discussion that is being seen by some in and outside of the party as divisiveness. The minister described the debate as "open and useful" and said that it is unfortunate that some people within and outside the party regard it as divisiveness. "I am proud to say that I am part of that debate and I would continue to be part of the debate and would not allow narrow-minded persons to interfere with my judgement as to the need for open debate...", he said.

He admitted that there were differences within the party, but said this was healthy, since any political party which fails to discuss serious issues or difference "is not worth any salt at all". Mitchell said he would never allow himself to get involved in any party fight over political leadership. "I have always worked for the stability first and future of the country and nothing I would do would ever be associated with the instability of the country," he said. "I am certainly going to be involved in serious discussion of issues of importance as regards the future direction of the country and the party", he added.

Haiti

Political, TU Groups Launch Constitution Drive
FL0609215788 Port-au-Prince Radio Nationale
in Creole 1300 GMT 6 Sep 88

[Excerpt] A group of six political and union leaders have called for the celebration next Sunday, 11 September, of

a day of action in Haiti in favor of the Constitution of 1987, with the intention of forcing the government to keep this Constitution.

Officials for the pro-Constitution campaign held a news conference, calling on everyone to peacefully show their attachment to the contents of the 1987 Constitution. They asked everyone to dress in white next Sunday, to wear something white—a scarf, a shirt, a blouse, etc. The six people making this appeal to the entire population were: Sylvio Claude, president of the Haitian Christian Democratic Party; Maurepas Auguste of the Movement for Democratic Unity; Gilles Hendrick of the Liaison of the Democratic Forces; Septimus Jasmin, representing the National Federation of Patriotic Unemployed Haitians; Louis E. Roy of the Association for the Defense of the Constitution; and Gabriel Miracle of the Autonomous Organization of Haitian Workers.

They say there has not as yet been a decree issued in Haiti abolishing the text of the Constitution of 1987; therefore, this Constitution is still in effect.

Observers note that three of the four most important Haitian political leaders—Louis Dejoie, Gerard Gourgue, and Marc Bazin—were not present at this first news conference held by the organizers of the campaign in favor of the Constitution. [Port-au-Prince Radio Metropole in French at 1600 GMT on 6 September, in a related report, notes: "Speaking at a news conference at noon today, Mr Marc Bazin expressed approval of the campaign in support of the Constitution." [passage omitted]

Press Group Scores Silence on TV Worker's Death
FL0209213888 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 2 Sep 88

[Excerpts] Mr (Joubert Jean Baptiste), a man who is approximately 30 years old and worked for the national television station, was murdered on 27 August by a member of the Armed Forces, Lieutenant (Metellus), to whom he owed some \$1,000. The Haitian Professional Press Federation broke this bit of news. It says that it is most surprised to see that the administration of the national television station, where this man worked, has not as yet said anything about the man being taken away on 20 August and about his murder on 27 August.

We went and sought to find out more, and we did.

In a press release appearing today, the federation informs the public that a National Television employee, (Joubert Baptiste), has been murdered, yet the television station has never mentioned this criminal act. (Baptiste's) wife told us that he had been working for National Television for 9 years and that he was 30 years old. An armed civilian came and arrested him at 0700 on Saturday, 20 August, at his residence on Delmas 83. It seems he was taken to the Dessalines Barracks. The wife

said (Joubert) owed \$1,000 to Lt (Metellus), from the Dessalines Barracks. That is why the lieutenant had him arrested and beat him brutally until he died.

That same Saturday, at around 1400, Lt (Metellus) told her he had beaten (Joubert) pretty badly, and that he could not release him. Nevertheless, he dragged (Joubert) home. He searched the house, and (Joubert)'s wife later noticed that several things—such as many important papers—appeared to have disappeared. From that day on, the rest of the family members we interviewed today, including (Joubert)'s wife, his three children, his mother, and his brothers and sisters, never again saw (Joubert), who died from the terrible blows he had received. It was the director of National Television who informed them of (Joubert)'s death. [passage omitted]

We contacted the employees of National Television, who told us they knew (Joubert Baptiste) had died but they did not know he had been murdered. We also tried to contact the director of National Television, Mr Jean Camille, but we were unable to find him. There are details that only he can give us. But what the Haitian Professional Press Federation finds strange is the fact that the national television station has never reported in its newscasts this crime committed against a Haitian National Television employee.

FADH Acknowledges Killing

FL0609162288 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 6 Sep 88

[Text] In a press release dated 5 September, the Haitian Armed Forces (FADH) General Headquarters informs the public of a report from the commander of the Dessalines Barracks saying that Lieutenant ad honores Antoine C. Metellus, FADH, who is assigned to the general headquarters of the Dessalines Barracks, had arrested (Joubert Jean Baptiste) without his commander's knowledge for swindling him, the lieutenant.

(Joubert Jean Baptiste) was taken to the Dessalines Barracks. He was terribly mistreated—badly beaten—and he reportedly died as a result of this mistreatment.

The press release continues: The person who killed (Joubert Jean Baptiste), Lt Metellus, has been arrested. An investigating committee has been formed to shed light on this matter. The perpetrator of this crime will be brought to trial in conformity with the law.

This is the contents of a note from the FADH General Headquarters signed by Colonel Gary Leon.

However, we remind listeners that according to statements from his family, (Joubert Jean Baptiste) had been working at the national television station for 9 years. This government television station never reported the arrest of this employee on 20 August or his death on 27 August, after being badly manhandled at the Dessalines Barracks. Yet his wife and his sister said in an interview

they granted Radio Soleil that they had learned of (Joubert Jean Baptiste's) death from the director of RTNH [Radio Tele-Diffusion Nationale d'Haiti, the national radio and television network]. They also said that (Joubert Jean Baptiste) owed Lt Metellus \$1,000, without giving any further details.

Here in Port-au-Prince, observers point out that this is the first time the Haitian Army acknowledges having tortured a citizen to death inside an Army barracks. This first acknowledgement comes from the Dessalines Barracks.

Gunman Disarmed During Mass for Labadie Youths

FL0509154588 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 5 Sep 88

[Excerpts] [Passage omitted] On Sunday, 4 September, in the middle of a mass being held for the four young people killed in Labadie, the people in charge of security for Saint Jean Bosco Church captured and disarmed a man carrying a 38-caliber revolver loaded with five bullets.

The mass had progressed as far as the consecration when there was a big fuss inside the church, which was jam-packed. Some wanted to rush outside, but Father Aristide asked them to stay put inside the church and continue singing and praying. We are going to listen to what happened:

[Begin recording] [Passage omitted] [Unidentified speaker] When everything had calmed down, Father Aristide showed the public the revolver with the bullets that were in it. He decided to refuse to keep the weapon at home, so that no one could use that as a pretext to undertake a search. Here is the statement Father Aristide made before the end of the mass:

[Aristide] We declare [crowd noises audible in background], we children of God declare: On 31 January 1986, the apostolic nuncio came here to get a revolver. This revolver you see here, although we know that it takes steel to cut through steel, we have no need for it. Thus I declare—and now I am speaking for Aristide [crowd sounds, applause]—I declare, I declare [repeats himself] that I have no need for that revolver. If the apostolic nuncio, if a bishop, if a known high-ranking authority wishes, he may come and get it, because it is not going to spend the night in my house. [applause].

It's not that I'm an imbecile; I'm not a dummy. It's not that I don't know that a day will come, a day will come, [repeats himself] as it has come in certain countries, when one would not be obliged to reveal what happened. It isn't that I don't know this. It is so that the struggle can progress better, progress faster, that I am saying, before the world, that I am not sleeping with this thing. They have to come take it from me. Therefore, if they don't come, we will send them word to come get it.

I myself will not take it to the police. I will send for the police to come get it. [words indistinct] [applause] [end recording]

During the day, they contacted the apostolic nuncio and other high-ranking church authorities to come get the weapon. However, it was two justices of the peace—Mr Sanon for the north section and Andre Normil for the east section [of Port-au-Prince]—together with witnesses, who took the weapon. Salesian priests arrived later.

A few relatives of the Labadie victims were present at this mass, and they once again told how the massacre took place. They again repeated the names of the people they recognized who participated in the massacre.

The faithful expressed solidarity with all these people. They declared that the young people had not really died, in the sense that they are alive in the hearts of all those who are today more determined than ever to fight to put an end to these massacres and for another kind of life to bud in Haiti. [passage omitted]

Father Aristide celebrated the mass under the slogan: the moral victory of the poor over the forces of death. There was a foreign television crew present, filming the mass to show in its country, and Father Aristide explained, in French, how high-ranking overseas authorities are accomplices to what is happening in Haiti when they arm lawless high-ranking authorities, when they continue giving them money so that they can steal better, and especially when they plot against small countries in order that they themselves can remain rich and powerful.

At the end of the mass, the young people of Labadie and the young people of Port-au-Prince delivered a message encouraging and expressing solidarity with all the families and relatives of the victims of the Labadie massacre. Let's listen to the message.

[Begin recording] [Passage omitted] The blood of these four young people should serve to irrigate the path of liberation and the path of life that Jesus died for. [passage omitted]

We of the people's organizations think the death of these four brave young men killed by bullets from Uzi's and machineguns should serve to strengthen the determination and conviction of all the people's organizations, whether within or outside the church. This conviction, this determination, should be based on faith and will. [passage omitted]

(Donny Aceus), your father, your children, your friends, the church of the poor, the people's church, salutes you because you were willing to fall to the bullets from the Uzi's and machineguns of the Haitian Army, just like Jesus, whom the Jews sacrificed and nailed to the cross on Calvary.

(Alex Alexandre), your father, mother, friends, children, and all the people's organizations say to you: the evildoers who sacrificed Jesus Christ are alive and well on earth, but go in peace, for in the end, regardless, the people will be victorious. [passage omitted]

(Donny, Berson, Alex, Armand), all the people's organizations say to you: Your dreams, your ideas, your work will serve as a compass enabling us to make progress as regards the demands of the masses—which are for health care, schools, jobs, and respect for everyone on earth, everywhere. This is what you died for. We who remain behind are also willing to die for it.

Long live all valiant Haitians who are on the side of the people! Long live all Haitians who are struggling for deliverance for God's people! Thank you. [applause] [end recording]

Tax Office Robbed, Equipment Set on Fire
*FL0609213688 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 6 Sep 88*

[Report from Port-de-Paix correspondent (Jean Wilson)]

[Excerpt] According to news received from Ile de La Tortue this morning, thieves broke into the tax office last night, Sunday. They broke into the safe and took approximately 3,047 gourdes. They then set fire to all the remaining equipment in the office. They burned the typewriter, all the furniture, the tax collector's attache case, and almost all the registers.

According to this news, the justice of the peace went to the scene of the robbery this morning to take official notice of the incident so that they can send a report to Port-de-Paix. [passage omitted]

Jamaica

Opposition Calls for Immediate Elections
*FL0609202788 Bridgetown CANA in English
1754 GMT 6 Sep 88*

[Text] Kingston, Jamaica, Sept 6, CANA—The opposition People's National Party (PNP) in Jamaica, saying there is no need for further delays, has called for general elections to be held immediately, but Prime Minister Edward Seaga remains insistent that there should be debates between his ministers and members of the PNP shadow cabinet before a poll. "There could be no justification for further delay and the date for the election should be announced forthwith," PNP Chairman, P.J. Patterson told reporters Monday.

Patterson was responding to Seaga's repeat of his debate challenge Sunday at a governing Jamaica Labour Party (JLP) rally in Kingston. Seaga first issued the challenge earlier this year, warning that "the longer they stay to debate the longer the date."

On Sunday night Seaga told supporters that the PNP was stalling on the debate because they were afraid. "They don't want to stand up and debate us because they know that if they do they will be finished, because the people will see that they don't have any plans," Seaga said.

Seaga won a second term on December 15, 1983 in an election boycotted by the opposition. The present parliament ends officially next January 10, but the prime minister, who has the power to call an election at any time, could utilise a three-month grace period before going to the poll.

Patterson, charging that Seaga wanted to use the debate issue to delay elections, repeated PNP conditions for the debate, including the announcement of the election date. Additionally, the government should make full disclosure of information on a "range of economic and commercial transactions", which the PNP alleges were being kept secret, as well as equal time on the government-owned media to explain its policies.

Patterson, warning that a long election campaign could hurt the island by disrupting tourism and slowing down investment, said everything was now in place for an election. He also recalled that when he came to office Seaga had said that he would not in the future allow long election campaigns here. "We don't think Mr Seaga should breach the solemn undertaking given to the country," Patterson said.

Elections Not To Affect Drug Campaign

*FL0209124588 Bonaire Trans World Radio in English
1130 GMT 2 Sep 88*

[Text] Jamaican National Security Minister Errol Anderson says Jamaica will not halt efforts to eradicate marijuana regardless of the outcome of national elections.

Prime Minister Edward Seaga and opposition leader Michael Manley both have pledged to support a marijuana eradication policy. Mr Anderson says authorities have destroyed 19,000 acres of marijuana fields since 1984.

El Salvador

Legislature To Investigate Death Squads

PA0609224788 San Salvador LA PRENSA GRAFICA
in Spanish 2 Sep 88 p 50

[Excerpts] The Legislative Assembly will name a commission to investigate the death squads.

This resulted from a motion made by several Christian Democratic Party (PDC) deputies that was supported by Nationalist Republican Alliance (ARENA) deputies.

"I am pleased," ARENA Deputy Major Roberto d'Aubuisson said very calmly, "that the Christian Democratic deputies submitted this motion, because with this we will give the Salvadoran people an opportunity to learn who the death squad members really are." [passage omitted]

After a long speech by D'Aubuisson, who reviewed the violent political events from 1969 to the present, it was PDC Deputy Guillermo Antonio Guevara Lacayo's turn to speak.

Shouting, somewhat beside himself, and furiously waving his arms, Guevara Lacayo accused D'Aubuisson of being the leader of the death squads. When Major d'Aubuisson was president of the Assembly, Guevara Lacayo said, he led the death squads from here. There was an ammunition factory in the Assembly, which journalists witnessed, and orders went out from here to kill people, he said.

I might have stolen, but I did not stain my hands with anyone's blood, Guevara Lacayo said, quite beside himself. I have witnesses that Major d'Aubuisson confessed to me that he gave orders to the death squads to kill me. The witnesses are Maria Julia Castillo, former president of the Assembly, and Francisco Merino, a member of the Central Election Council, he said. However, since we are now friends, I am no longer going to kill you, D'Aubuisson told me, Guevara Lacayo said. There are witnesses to that, he said. [passage omitted].

D'Aubuisson Says Army Waged 'Dirty War'

PA0609214088 San Salvador EL MUNDO in Spanish
1 Sep 88 p 36

[Text] Major Roberto D'Aubuisson, ARENA [National Republican Alliance] deputy, has said "a dirty war" had indeed been waged by the Armed Forces to eliminate the leftist opposition in the early 1980's. Regarding the activities of paramilitary groups, D'Aubuisson said some military officers should be asked about it.

In statements to EL NOTICIERO, the rightist leader said Defense Minister General Carlos Eugenio Vides Casanova, general director of the National Guard at the time, and Colonel Reinaldo Lopez Nuila, the former director of the National Police, were aware of the problem.

"Police Director Lopez Nuila; Vides Casanova, director of the National Guard; and the person who was director of the Treasury Police could say what happened in the early 1980's, because some members of those institutions who were aware of the disorder began to act according to their anticommunist orientation and training," D'Aubuisson said.

"I do not know if a group of civilians ever had a camp near Guazapa or anywhere else to train rightist squads; I never knew about it and I never saw it," the ARENA deputy said. D'Aubuisson pointed out he was not in active service during the time in which large numbers of bodies with signs of torture were found.

Regarding the violence promoted by anticommunist paramilitary groups, he said: "Undoubtedly there has been violence here. Whenever a communist is killed and no one claims responsibility, the death squads are blamed. Whenever a member of the National Police or the Army has been killed, his death is blamed on the boys."

"I repeat, at the end of 1979 and in 1980, we faced a tremendous aggression and if it had not been for a group of volunteers within the security forces, such as the Armed Forces, and the civic action conducted by citizens to face the aggression, this [not further identified] would not have been possible. It was not just an armed aggression, and that is why I left the Armed Forces, because of the disorder. There was a political vacuum that we had to fill."

D'Aubuisson was asked if a dirty war is being waged. He replied: "In these subversive wars, in which the guerrillas intend to take power through violent means, we have the open war, in which we sometimes learn about the clashes; we have a dirty war being waged under the surface; we have the psychological war; we have the political war; and we have the war of influence; that is, the war of the masses. All this has been handled by them [the guerrillas] very well."

Army Reports Rebel Casualties; UH-1H Crashes

PA0709043588 San Salvador Canal Doce Television
in Spanish 0330 GMT 7 Sep 88

[Text] Military sources have reported that a rebel was killed during a clash with Cuscatlan Battalion members near Sesori, San Miguel. Six other rebels were wounded in a confrontation in the San Fernando, Chalatenango area.

In addition, the Armed Forces have reported that a Salvadoran Air Force aircraft crashed in El Paraiso due to mechanical trouble. According to the report, the UH-1H helicopter was trying to rescue a group of soldiers who had been wounded in San Fernando.

COPREFA Reports Casualties

PA0609164388 [Editorial Report] San Salvador Canal Doce Television in Spanish at 0300 GMT on 3 September reported that COPREFA affirmed today that during August, the Armed Forces inflicted 189 casualties on the FMLN and seized 72 rifles, 13 revolvers, 406 mines, 89 grenades, and other war materiel from the rebels.

The announcer noted the Army admitted having suffered 37 dead and 154 wounded.

In the country's northern and central regions, the Army killed two FMLN rebels and wounded three more in the latest war actions, the announcer reported. He explained: The two rebels died in San Vicente Department and the FMLN suffered its three other casualties in Chalatenango Department.

FMLN Urban Units Announce New Campaign
PA0709021588 (Clandestine) Radio Venceremos in Spanish to El Salvador 0017 GMT 7 Sep 88

[Communique issued by FMLN urban units in San Salvador; date not given—read by announcer]

[Text] We send our revolutionary salute to Salvadorans on the beginning of our new campaign: For our second and final independence, Yankees get out of El Salvador. All the people to combat.

As part of this new campaign, our units successfully sabotaged ANTEL [National Administration for Telecommunications] installations in Ciudad Meriot on 5 September. This action is the beginning of our campaign.

We want to tell our people that we will fight against all the regime's repressive forces and that this campaign will take place mostly in urban areas.

We congratulate our units for the successful sabotage. We warn the regime that we will attain our second and true independence with weapons in our hands. We ask all our people to pay attention to our actions during September.

Signed, FMLN urban units

Interview With FMLN Commander Leonel Gonzalez

[Editorial report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 6 September transmits "the first of a series of interviews with members of the FMLN General Command." Then follows a 50-minute interview with FMLN Commander Leonel Gonzalez by an unidentified Radio Venceremos reporter.

The announcer says that in the first part of the interview, Commander Gonzalez sends greetings to FMLN guerrillas and the Salvadoran people and expresses thanks for foreign solidarity.

The announcer adds that concerning the upcoming Salvadoran elections, Commander Gonzalez said that many democratic sectors have placed hopes in the elections, but the FMLN has stated that "in the current counterinsurgency war, elections are a legitimation of the continuation of the war and do not contribute to peace or to a political, negotiated solution. Under the current situation, the elections will only worsen the government's crisis and the entire counterinsurgency plan."

Concerning the government crisis, Gonzalez says the crisis has elements that make it increasingly complex. Gonzalez adds: "As we all know, Duarte's illness has caused a government void." Gonzalez goes on to say the division and disagreement within the various political parties also increase the government crisis. Gonzalez criticizes the attitude of the Christian Democratic Party [PDC] and of the Nationalist Republican Alliance [ARENA], accusing them of abandoning the dialogue policy, opposing a political solution in the country, and promoting repression against the people.

Returning to the topic of the elections, the FMLN commander says there will not only be a political crisis but also an electoral crisis when the time for the presidential elections arrive. Gonzalez adds: "We feel elections should be turned into a political and military battlefield. Therefore, the FMLN will act militarily to prevent our people from being deceived and given false hopes. In addition, the FMLN will act politically to convince foreign forces, solidarity movements, and our people that elections are not the solution to our problems; they are a road to war within the counterinsurgency framework. We will work to give way to a political, negotiated solution."

The FMLN commander reiterates the way the FMLN will act in view of the elections and adds: "We will act militarily to show and convince the Army High Command, the Reagan administration, and the oligarchy we are stronger and more united than ever."

Concerning the FDR's and the Democratic Merger's participation in the elections, Gonzalez says these organizations are seeking a political solution and the construction of a government of ample participation.

Regarding the military situation, Commander Gonzalez says that despite U.S. military aid, the FMLN is defeating the Salvadoran Army and the FMLN continues to grow. The FMLN commander adds that in the last 6 months, the FMLN has inflicted over 3,600 casualties on the Army.

In the final part of the interview, Commander Gonzalez comments on the nature of the FDR. The FMLN commander says: "The composition and nature of the FDR is different from that of other parties. Its political stance

is completely different. Therefore, their decision to participate in the elections is an autonomous decision that by no means harms the alliance. On the contrary, that decision strengthens the actions of the alliance in the current situation."

The FMLN respects the FDR's decision to participate in the elections, elections will defeat the counterinsurgency plan, and people must play an active role both in the political and armed struggle against the Salvadoran Government to "defeat Reagan's policy, the Army High Command's actions, and the PDC and ARENA, which oppose a political, negotiated solution and promote the counterinsurgency war," Gonzalez concludes.

National Debate Public Assembly Document
PA0609194488 San Salvador Radio Cadena Sonora
in Spanish 1200 GMT 5 Sep 88

["Excerpt of the final document" presented at the conclusion of the national debate public assembly held at Sagrada Familia School in San Salvador on 3-4 September; date not given—read by Msgr Gregorio Rosa Chavez]

[Text] On 3-4 September, delegates of 59 Salvadoran active organizations met at the Sagrada Familia School in San Salvador to hold the public assembly of the national debate proposed by San Salvador Archbishop Msr Arturo Rivera y Damas.

The participants to this assembly wish to put on record that the assembly was held in a climate of respect and dialogue. That climate allowed us to work hard and responsibly and in accordance with an effective and flexible method.

We departed from the document drafted objectively by the commission organizing this assembly, and drafted this final document based on the answers given by 53 of the organizations that answered a 6-point questionnaire.

The final document strictly follows the order of the questions in the aforementioned questionnaire. It contains proposals approved by at least 50 percent of the social organizations attending the assembly. Each proposal has the list of the organizations that supported it. Proposals that obtained very few votes appear in an appendix attached to the present document.

The following are the proposals presented by the public assembly of the national debate to solve the Salvadoran conflict:

I. [No section II as heard] Reinterpretation of Esquipulas II in El Salvador's case.

1. There must be greater pressure to force El Salvador to fulfill Esquipulas II in practice and not only formally, especially in those areas concerning the dialogue, negotiations, and the Central American parliament.

2. All local sectors must have more direct participation in everything agreed on in Esquipulas II, especially in the national dialogue. The local sectors, along with related Central American sectors, must have increasingly direct participation in the National Reconciliation Commission. To achieve that end, the Central American governments must reach new agreements that facilitate that participation.

3. Sovereignty and the right to self-determination must be respected by rejecting all forms of foreign interference, especially U.S. interference, because of its strong influence.

Proposal to end the war.

1. Attainment of a political solution through negotiations and dialogue within the framework of a constant and permanent process. Rejection of all violent and military solutions.

2. [12-second break in reception break] dialogue.

4. [Number as heard] Formation of a government of ample participation, which must represent all the country's social and political forces. That government must have moral authority to lead the process until the attainment of a negotiated political solution to the armed conflict. To achieve that goal, the government must create the necessary conditions to allow the participation of all local sectors in the aforementioned process.

5. Recovery of the national sovereignty and the people's self-determination so the solution will be attained among all Salvadorans without excluding any sectors; rejecting foreign meddling, particularly U.S. meddling.

6. To demand the superpowers abstain from meddling in the conflict, suspend all military aid, and remove foreign advisers. Also, El Salvador should remove itself from the East-West conflict, thus avoid becoming a place of support to any of the two blocs.

Proposals to reach a broad national consensus for a peaceful solution:

1. To reach a broad national consensus through the national debate, which would be established to promote and review the dialogue-negotiation process, and to convey to the parties in conflict, the Central American presidents, and international organizations the agreements reached. This would permit more direct participation by all sectors in the important national decisions.

For this purpose, a permanent, representative organization shall be created consisting of two delegates from each sector invited to the national debate.

2. We should try to reach a national consensus—which should be understood as a consensus that supports true nationalism, without excluding anyone—which would subject the interests of the minorities to those of the majorities to reach a national popular agreement.

Proposals in the area of fundamental elements to draft a national plan for peace, justice, and freedom.

Political Area.

1. Establishment of an electoral system that guarantees respect for the people's desires and pluralist participation of parties seeking to satisfy the needs of the majority.

2. The respect of fundamental human rights and the cessation of all repression.

3. A true democratic process, effective recognition of all social and political forces, freedom to form organizations and to travel freely, freedom of expression, and democratization of the media.

4. Creation of a legally recognized forum of broad participation, to search for peace and make important decisions concerning life in the nation.

5. Effective subordination of military authority to civilian authority.

Proposals in the Economic Area:

1. To improve and intensify the structural reforms—particularly by redirecting the agrarian reform, with attention to the people's interest—so the agrarian reform will be fruitful in the social and economic aspect, and to solve the agrarian debt problem.

2. To promote an economic reactivation plan with a social element.

Briefs

C.A. AIDS Figures

The Salvadoran Health Minister has reported that out of 32 Salvadorans affected with AIDS, only 4 are still alive. The Health Ministry report adds that the 32 cases have appeared over a period of 4 years. The report states there are 161 cases of AIDS in Honduras, 70 in Costa Rica, 60 in Panama, 20 in Nicaragua, and 18 in Belize. [Summary] [PA0509200988 San Salvador LA NOTICIA in Spanish 1 Sep 88 p 2]

Guatemala

Cerezo Denies Having Killed 'Gunman'

PA0609142688 Panama City ACAN in Spanish
0519 GMT 6 Sep 88

[Excerpts] Guatemala, 5 Sep (ACAN-EFE)—Guatemalan President Vinicio Cerezo told ACAN-EFE tonight "it is false" that he killed a gunman who had allegedly tried to assassinate him at his presidential office on 19 August, as reported yesterday in Caracas newspapers. [passage omitted]

Cerezo added he has been under strong pressure from two sides: on the one hand, the guerrillas say "the Army controls me," and on the other hand, the right wing says "I control the Army and attempt to indoctrinate it."

Cerezo assured ACAN-EFE that he will not face a new coup attempt and predicted "the ultraright wing in Latin America is experiencing what occurred to the dinosaurs. It will have to disappear."

Cerezo declared himself against dictatorships "such as the one ruling Chile for the last 15 years," adding that former President (Salvador) Allende died because "he saw himself in the same position as we were in and was not understood."

Cerezo flatly denied that the U.S. Central Intelligence Agency (CIA) is plotting to attack him. He insisted "it will not happen." [passage omitted]

Cabrera on Arias, Ortega Meetings With URNG

PA0609161888 Guatemala City Teleonce Television
in Spanish 1300 GMT 31 Aug 88

[Excerpt] Guatemalan Foreign Minister Alfonso Cabrera has ruled out the possibility that the Guatemalan Government will issue a statement expressing its disapproval of the Nicaraguan and Costa Rican presidents' meetings with URNG commanders:

[Begin recording] We will not take any measures, because President Arias is free to meet with whomever he wants; that is the sovereign right of the Costa Rican Government and people. President Ortega is the president of Nicaragua, and he can also meet with whomever he wants.

By the same token, we hold meetings with whomever we want. We have been extremely clear with the URNG. According to the content of Esquipulas II, political dialogue must be established with those groups that have ended the armed struggle, have laid down weapons, and have joined the country's political life. [end recording] [passage omitted]

Honduras

Azcona Sends Letter to President Ortega

PA0609160488 Tegucigalpa Voz de Honduras Network
in Spanish 1120 GMT 6 Sep 88

[Letter from President Jose Azcona to Nicaraguan President Daniel Ortega; date and place not given]

[Text] His Excellency

Daniel Ortega

Nicaraguan President

I am pleased to acknowledge receipt of your kind letter dated 24 August, in which you discuss the Central American conflict and especially the relations between our two countries.

I am pleased to see confirmation, Mr President, that your government has partially accepted the proposal presented by Honduras in November 1987 to create an international commission, which among other things would prevent irregular forces units from crossing our common border. Although that proposal is still valid, your proposal will be gladly and carefully analyzed and given a timely and positive reply.

I am taking this occasion to inform you that today the Honduran press published what you apparently said in your speech at the second meeting of Latin American Indian parliamentarians concerning me. I do not wish to believe you attacked me in that way, because if that were the case, you would not be contributing to the development of normal relations between our governments. [Signed] Yours sincerely,

Jose Azcona

Honduran President

Nicaragua

D'Escoto on Possible U.S. Intervention

LD0409204388 Madrid Domestic Service in Spanish
1900 GMT 4 Sep 88

[Text] More Latin American political news. In statements made at Madrid's Barajas Airport today, where he stopped on his way to Cyprus, Nicaraguan Foreign Minister Miguel D'Escoto said he does not rule out a possible intervention in his country by the United States before too long. Hector Arenas reports from Madrid-Barajas Airport:

[Arenas] During a stopover in Madrid on his way to attend the inter-summit meeting of the nonaligned countries in Cyprus, Nicaraguan Foreign Minister Miguel D'Escoto spoke of the possibility of serious incidents and

a U.S. armed intervention in Nicaragua, which could occur between the election of the new U.S. President and the inauguration of one of the two current candidates.

Although this is not the first time that the Sandinist government has spoken of the possibility of U.S. armed intervention in Nicaragua without it occurring, in the view of Foreign Minister D'Escoto there are circumstances at present which make them think of the possibility, such as the concentration of contra forces and Honduran Army troops on the border with Honduras, next to the Pacific:

[Begin D'Escoto recording, in progress]...because there are Honduran and Nicaraguan populations on either side and because the Honduran Army is there and it could become involved at some time, as has occurred in the past, and at present an incident of this kind could be provoked in order to use it as a pretext for a U.S. intervention. [end recording]

D'Escoto Proposes Foreign Ministers Meeting

PA0609181988 Managua Sistema Sandinista Television
Network in Spanish 0200 GMT 2 Sep 88

[Report on interview with Foreign Minister Miguel D'Escoto by unidentified reporter; date and place not given—passages within quotation marks recorded]

[Text] Today Nicaraguan Foreign Minister Miguel D'Escoto called for a meeting of Central American foreign ministers to overcome the impasse confronting the verification mechanisms of the Esquipulas II agreements.

Minister D'Escoto said that for the fourth time, Nicaragua has issued a call to the Executive Committee of the Esquipulas agreements to implement the verification mechanisms for those agreements. He added that Honduras, the only country opposed to the meeting, has conditioned its participation on Nicaragua's withdrawal of its suit at the International Court of Justice [ICJ]:

[D'Escoto] "This is absurd, because we did not take Honduras to the ICJ for not complying with the Esquipulas agreements. We had filed charges against Honduras prior to the signing of the Esquipulas agreements for its flagrant violation of the rules [words indistinct]."

Foreign Minister D'Escoto recalled that a year ago, President Ortega and Honduran President Azcona Hoyo agreed to suspend those charges for 3 months, so Honduras could comply with its commitment of not lending its territory to the contra forces. However, Honduras did not comply with its commitment.

[D'Escoto] "Oddly enough, Honduras reactivated the case. We attended the hearings on jurisdiction, the results of which will be known in 2 months. Now Honduras is saying... [changes thought] Honduras has introduced a new demand, conditioning its participation in the Esquipulas agreement and [words indistinct]."

[Reporter] "What condition?

[D'Escoto] "That we withdraw our suit. Honduras wants to take advantage of the signing of the Esquipulas agreement—which it has not complied with at all—as a license to continue violating the most fundamental rules of civilized coexistence."

D'Escoto proposed an urgent meeting of Central American foreign ministers to boost the verification mechanisms for the Esquipulas agreements, which are currently at a stalemate.

[D'Escoto] "This is precisely what the United States, the Reagan administration, has always wanted. Because of its abusive attitude and behavior, the United States wants to be the judge who determines who has and who has not complied, even though it has never been given that prerogative."

Minister D'Escoto also stressed the importance of creating verification mechanisms in which representatives from the United Nations, OAS, the Contadora and Support Groups, Canada, and European countries would participate.

Official on U.S. Violations of Airspace
PA0209170188 Managua Radio Sandino in Spanish
1200 GMT 2 Sep 88

[News conference held by Colonel Hugo Torres, chief of the EPS Political Directorate, with unidentified reporters in Managua on 1 September—recorded]

[Text] [Torres] The counterrevolution has taken measures to violate the military operations cease-fire and to create the impression that we have violated the cease-fire. In fact, we have continued to abide by the cease-fire as instructed by the president.

[Reporter] Have the contras stepped up military operations?

[Torres] We all know the kinds of operations they carry out: terrorist actions that have resulted in the deaths of civilians, including children. The Defense Ministry recently issued a communique reporting one of these actions. This is the kind of activity that the counterrevolution continues to perpetrate.

[Reporter] There are reports that CIA aircraft have increased their violations of Nicaraguan airspace.

[Torres] The U.S. Administration has never ceased violating our airspace, and it has never ceased its reconnaissance flights over our territory with [words indistinct] aircraft and other types of aircraft.

[Reporter] How many...?

[Torres, interrupting] Dozens of violations have been perpetrated in recent years. Our airspace has been and continues to be violated with impunity.

[Reporter] How many violations are perpetrated per month, based on reports?

[Torres] It depends. For example, they perpetrate an average of five airspace violations per week, but the number of flights increases when tension increases and the danger of an intervention against our homeland rises. Violations of, and lack of respect for our laws and sovereignty have been the norm. The basic thing is to emphasize the danger that these violations represent.

[Reporter] Colonel, there are reports of contra activities in the Nicaraguan-Honduran border area. Where are most of the contra activities taking place?

[Torres] In the usual sector—the one that the people know about is the border area—but the main contra activities take place in Honduran territory. The contras have set up camp in the Las Vegas, Arenales, and Bocay sectors—inside Honduran territory. That is where thousands of mercenaries have gathered in recent weeks to exert pressure on the Honduran Government and the U.S. Congress. The contras are hoping that this will improve their chances of receiving millions of dollars in aid from the U.S. Administration. In fact, the U.S. Administration is currently exerting pressure and the U.S. Senate has approved the aid in principle—pending approval of the U.S. House of Representatives.

[Reporter] Has it been confirmed that the contras have increased their activities in that sector?

[Torres] Those activities have always taken place. The contras have always been in Honduran territory. The contra camps have always been there.

[Reporter] Do you have any specific figures? Do you know how many there are?

[Torres] There are thousands of counterrevolutionaries, and most of them are in those camps in Honduras.

[Reporter] What about the U.S. Government's shipments to the counterrevolutionaries?

[Torres] Those have never stopped. The counterrevolution has never lacked supplies. The counterrevolution continues to receive its provisions. When there is a bipartisan consensus [in the U.S. Congress] to approve such aid, meaning that the aid is legal from the point of view of U.S. law, even though such aid is illegal—then the aid increases. Since it is not a covert action, the U.S. Government's attitude is more brazen. The U.S. Government is currently trying to send its aid in a less brazen and more covert way, but the aid is still being sent to the mercenary forces.

Maj Wheelock Comments on Salvador-Contra Links
PA0609234588 Managua Radio Sandino in Spanish
2100 GMT 6 Sep 88

[Text] EPS Intelligence Chief Major Ricardo Wheelock has told SALPRESS-NOTISAL that the armies of Honduras, Guatemala, and El Salvador are planning aggression against Nicaragua. He noted that the Salvadoran Government, especially, has had business and counter-revolutionary links with contra chiefs.

[Begin Wheelock recording] Those links have existed for many years. The links were initially with [Eden] Pastora, through El Salvador. Pastora was given arms, training, and ammunition.

Later the links were with the FDN. The Salvadoran Army, and therefore the Salvadoran Government, provided logistical support for the counterrevolutionary forces. The most notorious case was the downing of Hasenfus' airplane. We clearly demonstrated on that occasion that there were large amounts of arms, ammunition, etc., at El Salvador's Ilopango Air Base that were to be delivered to Nicaraguan counterrevolutionary forces with the approval of the Salvadoran Army and Government.

We can also report that counterrevolutionary forces have trained for a long time in Punta de Ruco, El Salvador, and that the Salvadoran Army gives covert support to those forces. The Salvadoran Army trains them, lends them airplanes, gives them fuel, etc. This is happening constantly.

The counterrevolutionary forces have admitted that their radio station called Radio Liberacion broadcasts [to Nicaragua] from El Salvador. Salvadoran Minister Vides Casanova has not admitted this. I talked with him when the (?CIVS) [International Verification and Follow-Up Commission] visited El Salvador. The broadcasting was done from the Salvadoran Army staff building. The radio station's transmitters were very close to San Salvador.

We are stating this publicly because EPS experts have established that the radio station operated from that area.

We are in a position to state that the links between the Salvadoran Government and these forces are very strong. We know of business and friendship links between Salvadoran Government officials and many members of the counterrevolutionary leadership who live in El Salvador. They have very fraternal and respectful counterrevolutionary links. [end recording]

Ministers of State Explain Economic Measures
PA0609165988 Managua Radio Sandino in Spanish
0300 GMT 2 Sep 88

[Text] At the invitation of Presidency Information Minister Manuel Espinoza Henriquez, private and state media reporters, particularly those from Managua,

attended a meeting at the Presidency of the Republic's auditorium to share views with four ministers of state on the country's economic situation after the recently adopted measures by the government of President Daniel Ortega.

Finance Minister William Hupper, Central Bank President Joaquin Cuadra, Planning Minister Alejandro Martinez Cuenca, and Labor Minister Benedicto Meneses attended the meeting.

There was a lengthy debate on the people's opinions, which were conveyed to the ministers. The criteria or technical, political, and economic arguments through which the government implemented the various adjustment measures—the ministers noted these are adjustment, not price increase measures—seek to reduce the inflation levels affecting the country's economy.

Minister Martinez Cuenca clearly said that thus far, there is no solution to the country's political or economic problems based on textbook theories. He added this is the problem of a poor, small nation facing a war of attrition by a superpower. Living with these inflation levels means restrictions in production and in all aspects of life, which forces people and the government to endure the measures, particularly those seeking to improve the grave economic crisis most Nicaraguans are enduring, he said. This was the main explanation Minister Martinez Cuenca provided, referring to the various aspects and people's discontent, which the reporters attending the meeting conveyed to him.

Deputy Criticizes Measures
PA0209232188 Managua Radio Sandino in Spanish
1930 GMT 31 Aug 88

[Text] We have interviewed opposition Deputy Carlos Cuadra Cuadra of the Marxist-Leninist Party on the economic measures announced yesterday by the Nicaraguan Government. Cuadra said the measures will contain the spread of inflation, although the readjustment measures will still bring about an increase in inflation. [sentence as heard]

[Begin recording] [Cuadra] The economic measures that the government announced yesterday have not changed the thinking behind the measures taken in February. Rather, they have reinforced that thinking. These measures are aimed at maintaining profits at the expense of the workers. In other words, the goal is to exploit the workers further to maintain or even improve profits. No new investments are being made in Nicaragua, yet the government is trying to organize and control the economy. It intends to keep up the pace of agricultural exports by guaranteeing a profit for exporters—but this profit will be based on the exploitation of the workers.

Yesterday's measures attempt to control prices, basing them directly on costs. At the same time, the workers' [salaries] not only remain unchanged, but, according to

what we saw yesterday, salaries were even cut. The salary rise is far inferior to the increase in prices. Yesterday's announcement means a further deterioration of salaries in relation to the increase in prices.

[Reporter] How about the measures that are reportedly a continuation of those measures adopted in February to curb inflation?

[Cuadra] I think that is the idea behind the measures. They represent austerity, yet they represent greater exploitation of the workers. That thinking has not changed although they will not be able to control inflation. However, they are correcting certain distortions in the Nicaraguan economy. This is done at the expense of the workers; that is, at the cost of sacrificing the workers' living standard and exploiting them even more. That is the thinking behind the measures.

[Reporter] What about currency exchange rates?

[Cuadra] That is part of the same thinking. The price of products is being transferred; that is, inflation is being controlled and the costs being transferred to domestic products in dollars. This is nothing but a logical and natural result of recent inflation. [end recording]

Editorial Criticizes Measures

PA0609153088 Managua LA PRENSA in Spanish
1 Sep 88 p 2

[Editorial: "Economic Demagoguery and the New Cordoba Devaluation."]

[Text] This week the government announced a new devaluation in the official exchange rate, an increase in fuel prices, and a symbolic readjustment in public employees' salaries. As in February, the measures were accompanied by economic demagoguery: The planning minister maintained the measures would benefit producers and workers; thus he ignored the increased stagnation, which is added to the inflation the Nicaraguan economy is suffering.

The economic policies adopted in February have simply complemented the inflation boosted by cost increases. The huge devaluations in February, June, and August have increased by more than 20 times (2,000 percent) the cost of imported goods at the official exchange rate, which has added more fuel to the fire of inflation. The adjustments in the nominal salaries are always lower than the inflation rate. Therefore, it is plain demagoguery or economic ignorance to maintain that workers—who are supposedly holding the power—will benefit.

The government proclaims as a pyrrhic victory the fact they have allegedly stabilized the exchange rate in the black market and there are no more queues at supermarkets and stores. This is a pyrrhic victory at the cost of radically squeezing the workers' purchasing power and adopting a recessive policy that intensifies the economy's stagnation.

Obviously, the economic policies adopted this year have been inspired by the IMF: They intend to reduce inflation by diminishing the cash flow. Surprisingly, a government of alleged Marxist-Leninist ideology is trying to correct the ailments of its economic system by using monetary medicines. The measures seek to reduce inflation by reducing internal demand, thus intensifying the recession, without proposing overall policies to reactivate production. They also have not suggested any overall revision of the political system, which has helped so much to worsen the crisis.

It has been said that the new exchange rate of 180 cordobas per dollar will encourage exports; this is doubtful for various reasons. First, the cultivation areas for export products—coffee, cotton, and sugar—have already been set for the 1988-1989 term, and no overdue devaluation will modify the areas already cultivated. Second, there are no resources or cash available that would allow the reactivation of industrial exports. Third, the economic-political system has not been defined in any way, which discourages local and foreign investors. In addition, the increases in production costs resulting from the devaluation and the uncontrollable inflation process will soon erode the alleged incentive of devaluation.

In June, the government indexed the official exchange rate and the interest rates; this is a two-edged sword that will accelerate inflation and increase recession. Inflation will be stimulated by an increase in costs as a result of the devaluation, and the recession will become more acute because of strong credit restrictions.

The new exchange rate, 180 cordobas per dollar, will supposedly compensate for the erosion that inflation had caused with the former 80-cordoba rate. The inflation rate for June, July, and August was over 40 percent per month, which means the annual inflation rate will be over 5,000 percent. This proves the persistence of the hyperinflation and the failure of measures adopted throughout this year.

The Nicaraguan economy is in a process that several economists have described as a devaluation-inflation-devaluation process: the exchange rate is indexed according to the fluctuation of the consumer price index, and the inflation rate is greater than 40 percent per month (more than 5,000 percent per year). Devaluation increases production costs; and since the machine to print bills continues to operate, hyperinflation remains the same—production is not reactivated because there is no overall economic and political program aimed at reactivating the supply of goods.

The solution to Nicaragua's grave economic problems is not simply to adopt monetary measures. An overall economic and political solution is needed, a solution that must lay the groundwork for the country's reconstruction. These economic and political measures must be democratically discussed by Nicaraguans, who must not be simply passive listeners who are suffering the consequences of policies approved by minority groups that are merely giving us the orthodox medicine prescribed by the IMF.

Government Announces New Basic Grain Prices
PA0609145988 Managua Radio Sandino in Spanish
1200 GMT 3 Sep 88

[Text] The National Enterprise for Staple Foods [ENABAS] has announced the following new basic grain prices:

Rice, cordobas per quintal: producers receive 10,000; ENABAS' price is 11,542.70; consumers pay 12,800, or 128 cordobas per pound.

Corn, cordobas per quintal: producers receive 2,400; ENABAS' price is 3,954.80; consumers pay 4,440, or 44 cordobas per pound.

Beans, cordobas per quintal: producers receive 7,500; ENABAS' price is 10,069.70; consumers pay 11,200, or 112 cordobas per pound.

Sorghum: producers receive 2,250 cordobas per quintal.

Sugar, rice, and beans have been removed from store shelves in Managua, including the professionals' El Torito store. Unofficially, it is reported the products were removed because new prices are expected by 5 September. Yesterday many housewives bought these products at supermarkets because market prices were too high. Sugar, for example, was being sold at market for 90 cordobas, beans at 150 cordobas, and rice was sold according to its quality.

Briefs

GDR Education Protocol

Managua, 5 Sep (ADN)—A protocol on further bilateral cooperation in educational affairs was signed in Managua this weekend by Nicaraguan Deputy Education Minister Julian Corrales and GDR Deputy Minister of Public Education Werner Engst. The protocol defines the further activities of GDR public education experts in Nicaragua, as well as the training of Nicaraguan teachers in the GDR. During his week in Nicaragua, which ended on Monday, Werner Engst had friendly talks with Vice President Sergio Ramirez, Foreign Cooperation Minister Henry Ruiz, as well as with Education Minister Fernando Cardenal and other representatives of the relevant ministry. During visits to educational establishments, the delegation led by Werner Engst was informed about

the progress achieved in educating and training the coming generation despite the continuing policies of aggression and boycott by U.S. imperialism. [Text] [LD0609032588 East Berlin ADN International Service in German 0838 GMT 5 Sep 88]

Panama

Noriega News Conference With Costa Rican Media
PA0709045188 Panama City Domestic Service
in Spanish 0210 GMT 7 Sep 88

[News conference held by General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, with Costa Rican reporters at Paso de Canoas, Panama, on the Costa Rican border; date not given—recorded]

[Text] [Noriega] (?Good afternoon) to Radio Monumental and its listeners in neighboring Costa Rica. I am here at the invitation of Legislator Camilo Gozaine, looking into the issue of peaceful coexistence on the Costa Rican-Panamanian border. My message to Costa Rica's authorities is that their policies are harming the people. It would be good for those authorities to live on the border for 24 hours so they could understand the situation, see the needs and true fondness that exists between these two brotherly nations, which practically have no border, and share the same vision and hope: peaceful coexistence.

Last night, for example, I inaugurated a basketball court on the Panamanian side and the presence of our Costa Rican brothers was overwhelming. They played until late into the night, which proves there is peace. I bring this to your attention and compare this border with the one you have with Nicaragua, of which you complain; yet on this border you are creating problems for a brother nation.

Gentlemen authorities of Costa Rica, please solve this problem. Help us solve this problem because you are harming the Costa Rican people. The Panamanian side tried to delay the closing of the border, but our merchants pressured us so much that we were forced to close it. Both the Panamanian and Costa Rican people have been affected. We have also spoken with Costa Rican merchants, and some Costa Ricans have decided they will not vote in the next election if their politicians fail to solve this problem. The Panamanian people and I offer to solve the problem, to be condescending [as heard] and benevolent, because we do not want to harm this region, which is totally peaceful. I have worked here, I know the problem, I have lived among Costa Ricans, I respect them, I am fond of them, and I believe we should all be human and not allow ourselves to be carried away by the cash registers and swayed by those who have more to the detriment of the few.

[Reporter] With regard to the U.S. Government, which is seeking your ouster, I would like your views on the political situation in Panama and on the Panamanian people's position regarding your government.

[Noriega] I must answer that question emphatically and very honestly. The aggression—because it is aggression—by a strong country against Panama has a single objective. The Panamanian Government is not subject to orders from the United States. It is a dignified government, and its dignity emerged from the revolutionary process initiated by General Torrijos. That foreign power's sole desire is to extend its military presence in Panama beyond the year 1999, when the United States must leave our territory. The United States, therefore, is looking for arguments, for a justification, it is trying to provoke us so we will fall into its trap, but that will not happen because we are a peaceful people, a people who despite everything have developed our own means of survival, a dignified survival, not subject to orders from the State Department or Washington. [sentence as heard]

Our men, politicians, government, and president have maintained a position of dignity, and this dignity makes us strong, it sets the example for Latin America, because we are waging the final battle for the Latin American people's dignity.

Ritter Comments on Central America Affairs
LD0509164388 Madrid Domestic Service in Spanish
1304 GMT 5 Sep 88

["Informativo Dos" news bulletin]

[Text] During his stopover while traveling to the Mediterranean island of Cyprus, Panamanian Foreign Minister Jorge Ritter spoke with "Informativo Dos." He expressed concern over the situation in Central America 13 months after the signing of the Esquipulas II agreements:

[Begin Ritter recording] I believe that the position is wrong and furthermore it is worth recalling that the conflict, if this is what one could call it, between Panama and the United States at this moment, began at the very time that Panama declined to serve as a stage for sending military assistance to Nicaragua. This prevented what was at that time a military option from being used by the United States from the territory of Panama, which was an invasion. I believe that despite the fact that there are clear signs of detente in the world and conflicts are being settled by means of negotiation, it would appear that we, the Central American countries, the small countries of the Central American isthmus, are condemned to continue being submitted to pressure and aggression from the United States. [end recording]

On U.S. Relations, Canal

LD0509163888 Madrid Domestic Service in Spanish
1200 GMT 5 Sep 88

[Interview with Foreign Minister Jorge Ritter by unidentified presenter in Madrid; date not given—live or recorded]

[Excerpt] [Reporter] One of the foreign ministers who will be present at the nonaligned countries' conference in Cyprus is Panamanian Foreign Minister Jorge Ritter, who at this moment is stopping over in Madrid. Can one consider finally closed the [words indistinct] which General Noriega has had, or has, with the U.S. Administration?

[Ritter] The U.S. Administration maintains constant economic aggression against Panama, which in effect has already resulted in more than \$2 billion worth of losses for the Panamanian economy. It does not appear that there is any possibility of a change in this policy before the elections in the United States.

[Reporter] The Reagan administration said that its wish is to ensure that General Noriega leaves the government because of his links with drug trafficking. What is the Panamanian Government's official view of the true intentions of the Reagan administration?

[Ritter] I believe that gradually world public opinion has come to realize what the real intentions are behind this fantastic campaign the likes of which perhaps have never existed before. Resolutions have already been submitted in the U.S. Congress to abrogate the Torrijos-Carter treaties. These treaties govern our relations, and the relationship with the Panama Canal, in such a way that if the United States fails in the next 2 years to get a Panamanian government that will extend their military presence beyond the year 2000, then they will inexorably be obliged to dismantle the bases. What is at stake in Panama at this very moment are the upholding [vigencia] of international law, the upholding of the agreements which have been signed between two nations, and the upholding of the principles which are so dear to all peoples, such as the principles of self-determination and noninterference in the internal affairs of other states.

[Reporter] The canal is strategically and economically important, and for this reason, you say, the United States presumably intends to maintain its situation in the canal?

[Ritter] First of all the economic importance of the canal is enormous for the United States and for other industrialized countries, such as Japan, which move a large part of their trade through the Panama Canal. The canal, as such, is indefensible and yet the United States maintains more than 15,000 soldiers in Panama, who obviously are not fulfilling the purpose of defending the canal; but these same military bases are intended to be used to attack other countries, and this is what Panama has rejected on several occasions. [passage omitted]

Government Withholds Some Pay From Officials

PA0709042688 Panama City Televisora Nacional
in Spanish 0326 GMT 7 Sep 88

[Press bulletin issued by the Press Secretariat of the Presidency of the Republic—date not given]

[Text] The Cabinet Council, presided over by the nation's president, Manuel Solis Palma, has approved Resolution No 56 of 6 September 1988, by which, beginning on the first pay period of September, public servants holding the highest positions will receive a portion of their salary in accordance with the amount of government revenues. The difference that is not paid will be paid when public finances allow.

This resolution will apply to a large number of officials, including the president of the Republic, the Panama Defense Forces' commander in chief and the general staff, legislators, magistrates, ministers, deputy ministers, the comptroller general and the deputy comptroller, prosecutors, as well as directors and assistant directors of decentralized agencies, and other officials at a similar level. This measure will save 230,000 balboas a month.

A percentage of payments, salaries, as well as representational, per diem, fuel, and other expenses received by public servants will be paid in accordance with the following chart:

7,001 [not further specified] and up will get 70 percent [of their salary]
6,001 to 7,000 will get 75 percent
5,001 to 6,000 will get 80 percent
4,001 to 5,000 will get 85 percent
3,001 to 4,000 will get 87.5 percent

This measure does not involve a salary decrease because the resolution states that the rest of the emoluments that are not paid will be recorded in the state's accounting books to be paid in the future when fiscal conditions and the budget permit it.

The deductions voluntarily authorized from the salaries of public servants to pay commercial obligations will be made according to the percentage of salary received.

The Planning and Economic Policy Ministry will send to the Finance and Treasury Ministry and the Comptroller General Office, with a copy to the Cabinet Council, a list of public servants to whom this resolution applies.

The Comptroller General Office will adopt the necessary measures to comply with Resolution No 56 of 6 September 1988, which will take effect as soon as it is approved.

The resolution notes that an examination of the budget shows a deterioration in public revenues, thus making it impossible to make payments because of a lack of revenues to pay various expenses.

The resolution also states that the Planning and Economic Policy Ministry has presented a report to the Cabinet Council. This report stresses that there is a lack of resources to pay for all expenses and that this action is indispensable.

Therefore, public expenses and revenues are adjusted through the adoption of measures that will affect those who receive higher payments because of the duties inherent to their posts. This is done by a formula that is consistent with the state of public revenues and finances.

Cogecodese on Enforcement of Canal Treaties

PA0709005788 Panama City Televisora Nacional
in Spanish 2310 GMT 6 Sep 88

[Report on communique issued by the Panama Defense Forces General Command of the Defense and Security Commission, Cogecodese; date and place not given]

[Text] The General Command of the Defense and Security Commission, Cogecodese, which is comprised of the Combined Board and the Joint Committee [representatives], and is charged with the implementation of the Torrijos-Carter treaties, issued a communique today reminding the members of the [U.S.] Armed Forces, Panama Canal Commission employees, U.S. dependents, and U.S. contractors that Article 5 of the canal treaty and Article 2 of the agreement in implementation of Article 4 of the same treaty, dealing with the principle of nonintervention, are in full force.

The articles in question state that members of the U.S. Armed Forces and the employees of the Canal Commission, the dependents of both groups, and the contractors designated by those entities will respect the laws of Panama and will abstain from any activity incompatible with the spirit of the treaty.

Consequently, the articles state, they will abstain from any political activity in Panama, as well as any intervention in the internal affairs of the country.

Cogecodese recommends that the above personnel and their dependents present themselves to the National Traffic Department to obtain drivers licenses to drive in our country. Everyone is urged to report any irregularity in the reverted areas to the authorities.

FDP Spokesman Comments on TIME Article

PA0609162888 Panama City ACAN in Spanish
1524 GMT 6 Sep 88

[Text] Panama City, 6 Sep 88 (ACAN-EFE)—A Panama Defense Forces [FDP] spokesman, quoting General Manuel Antonio Noriega, told ACAN-EFE that any U.S. attack against Panama "will be rejected by the nations of Latin America."

The spokesman, who asked that his name not be disclosed, thus commented on an article in the U.S. magazine TIME, which reported on alleged plans to overthrow the Panamanian military leader.

TIME said the U.S. Government is apparently supporting Panamanian Colonel Eduardo Herrera Hassan's plans to overthrow Noriega.

The military spokesman did not comment on Herrera Hassan's possible presence in Costa Rica or at a U.S. military base on the banks of the Panama Canal, as reported by the U.S. weekly and according to insistent rumors in Panama City.

Herrera Hassan, who was mentioned years ago as successor to the deceased General Omar Torrijos, was dismissed from the FDP in April while he was serving as ambassador to Israel. He was accused of not following military staff orders.

During the last few days, a letter written by Herrera Hassan to fellow comrades-in-arms circulated in Panama City. In the letter, he asked them to unite against Noriega and announced he would return to the country to gain command of the FDP.

Noriega and other FDP commanders have repeatedly said the United States is preparing the "atmosphere" for an armed intervention in Panama.

British Parliamentarians Visit PALA Offices
PA0209214388 Panama City MATUTINO in Spanish 1 Sep 88 pp 3, 8

[Article by Ernesto Quijada Diaz]

[Text] Anyone who knows a little about Central American history knows Panama's struggle for its complete self-determination hides another truth, which began when Jimmy Carter signed the Panama Canal Treaties, British parliamentarian Brian Wilson told Panama's Labor Party [PALA] leaders. Wilson, along with two colleagues from the House of Commons, is visiting our country to learn about our situation.

Using emphatic words, and having an extensive knowledge of the Panamanian situation, the British legislator expressed his viewpoint on the situation: "The United States has never willingly left a territory. There is a distortion of the real Panamanian situation, a distortion caused by U.S. intentions to retain control of the canal."

"A country with a population of barely 2 million cannot represent a danger for the most powerful country in the world in the political, military, or any other sense. There are other reasons for this distortion, and the position adopted by Panamanian leaders with the people's support will make the truth shine at the end of the battle," British parliamentarian Tony Banks said. He expressed thanks for the cordial invitation to visit PALA's offices,

an invitation made by PALA leaders led by PALA President Dr Juan Medrano, Secretary General Ramon Sieiro Murgas, Deputy Secretary General Jose Antonio Alessandria, International Relations Secretary Armando Aizpurua, Legislator Harmodio Icaza Sanchez, and others.

Moreover, PALA President Medrano, after introducing the leaders of his party to the British visitors, outlined three fundamental aspects of the U.S. aggression against Panama: the extension of U.S. presence beyond the year 2000 and the intention to renegotiate the Torrijos-Carter treaties; punishment of Panama, its leaders, and the Panama Defense Forces commander because of their refusal to support the U.S. policy of aggression in Central America, especially against Nicaragua, a country also struggling for its self-determination; and the destruction of the financial center, which will allow the United States to weaken Panama's ability to resist.

PALA Secretary General Sieiro thanked the British parliamentarians for their support and presented them with documents that illustrate Panama's struggle against U.S. aggression.

ROK Legislators Meet Solis; Express Support
PA0509185188 Panama City MATUTINO in Spanish 5 Sep 88 p 1

[Text] President Manuel Solis Palma met at the presidential palace with five South Korean legislators, who were accompanied by South Korean Ambassador Choe Chong-il.

The legislators told the chief executive they brought a message of solidarity for the Panamanian people and government from South Korean president No Tae-u.

They added that South Korea supports the nationalist struggle being waged by Panama at this time and that as legislators, they will seek the necessary means to help our country solve its current economic crisis.

They also praised the courage shown by the Panamanian people and government in facing the U.S. Government's aggression, adding that they were sure we would soon overcome this situation.

The delegation from the South Korean Assembly is composed of honorable legislators Chong Sun-pak, Song Chon-pak, Wu Hyuk-kang, Il Yun-kim, and Nak Chu-hwang. [names as published]

[Buenos Aires REUTER in Spanish at 1759 GMT on 5 September reports that the South Korean Embassy in Panama denied that the legislators "had made statements against Washington's policy toward Panama."]

Legislative Assembly President Opens Session
PA0209203888 Panama City Domestic Service
in Spanish 1732 GMT 1 Sep 88

[Speech by Celso Gustavo Carrizo, president of the Legislative Assembly, at opening of regular period of sessions—live]

[Text] Your Excellency Manuel Solis Palma, minister in charge of the Presidency; Honorable Marisol Reyes de Vasquez, president of the Supreme Court of Justice, and honorable magistrates; Honorable Legislator Alberto Aleman Boyd, outgoing president of the Legislative Assembly; your excellencies ministers of state and deputy ministers; Your Excellency Francisco Rodriguez, comptroller general of the nation; Honorable Yolanda Pulice de Rodriguez, president of the Electoral Tribunal, and honorable magistrates; Your Reverend Excellency Msgr Jose Sebastian Laboa, apostolic nuncio of His Holiness and dean of the diplomatic corps accredited in Panama; your excellencies special ambassadors accredited before the national government; Honorable Carlos Villalaz, attorney general of the nation; Honorable Olmedo Sanjur, attorney general of the administration; members of the Panamanian Defense Forces General Staff; honorable legislators; honorable provincial governors; honorable mayors; honorable presidents of the provincial councils; directors, managers, deputy directors, and deputy managers of decentralized entities; distinguished members of the British Parliament who are visiting us and Mrs Ashby; special guests; members of the domestic and foreign press; ladies and gentlemen:

I want to express to the legislators who have elected me president of the Legislative Assembly that I accept this position as less of a distinction than a challenge in these difficult times for the country. I will preside over the legislative branch during a very important period in our national history. The aggression being directed against our small country is being felt throughout the land: in the city and the country; in private enterprise and government departments; in schools and work centers; and in economic, political, social, and military circles.

In response to the retention of the canal annuity and other violations of the Torrijos-Carter treaty, the freezing of the national bank's funds, the prohibition against U.S. company's paying taxes in Panama, the international campaign to discredit our country's institutions and the people who lead it, the incitement of our peaceful people to violence, the establishment of a fictitious government, and the threat of military intervention, our people have said, as Victoriano Lorenzo did, you have to fight to win a fight. [applause]

We must fight because at stake are Panama's independence, our right to conduct our affairs without foreign intervention, the recovery of the canal, and the expulsion of the foreign army that has been interfering with our complete independence since 1903.

Our people understand that we will not permit anyone to take the canal through false accusations by the government of the country that is the greatest consumer of drugs in history. [applause, shouts of approval]

The Panamanian people are prepared to resist, but they also demand from the state clear and determined action to find solutions to the worst effects of the aggression. [applause]

Mr Minister of the Presidency of the Republic, the Legislative Assembly will give you the support necessary to face the national emergency and to approve any legislation that favors the national majority. We are aware of the great responsibility you have and we will cooperate in the search for answers to the difficulties that today encumber every Panamanian.

To the legislators of every district we represent: The problem that worries us most is unemployment. Hundreds of workers have lost their jobs. Thousands have suffered work restrictions with layoffs or imposed vacations, and many others have been completely abandoned.

We respect private enterprise and believe in it as a source of economic activity. We know it is suffering the consequences of the aggression. However, we are concerned about the lack of consideration shown in many cases toward the workers, who we currently see without protection. I believe we must all exert ourselves to find the solution to our economic problems without creating more unemployment. We cannot let the workers, who always suffer the consequences, lose the labor benefits achieved after many years of work and struggle.

We are also worried about other issues in our current economic situation. For example, Panama uses as legal tender an international currency—the dollar—which we do not issue. We are spending these dollars to import many agricultural and industrial products that could be locally manufactured. Similarly, essential public services, such as health, have deteriorated; the scant credit available for our farmers has decreased; we are not implementing an economic policy in line with our current situation; and we are not using our imagination to seek other options. The country as a whole must fully develop its abilities so we may become stronger and achieve success.

Today we begin a new period, and the Legislative Assembly will have to make important decisions. The Assembly must abolish, modify, or approve all laws needed to overcome the economic problems resulting from external aggression. We must work and give priority to the most urgent national problems. We must issue, once and for all, the necessary guidelines to protect small and medium-sized producers; encourage small and medium-sized enterprises as alternatives for creating new jobs; and ban imports that are detrimental to our national production.

Our banking system's abnormal operation is a factor that has greatly affected our economy. We must submit a proposal to this Assembly creating a work commission that will exclusively handle banking issues. The commission will be as important as the other legislative commissions and focus on financial problems, inviting national and private banks to prepare the necessary laws to normalize services rendered by this strategic sector.

I once presided over the agrarian and livestock commission, and I am proud of its achievements. I represent a section of our countryside, so I am particularly sensitive to agricultural problems. I use this occasion to honor our peasants, who work with their machetes every day clearing the land, sowing, and harvesting their crops to give the homeland their important contribution at this most critical time: food. We give them our gratitude, because they are the true heroes of our resistance. [applause]

As president of the Legislative Assembly, I will continue to defend the national producers and the work of the agriculture commission. I will give special attention to legal initiatives promoting and protecting our land's production. I will closely follow the implementation of the contingency plan prepared by the executive branch to ensure the food supply. I will also support all the legislature's work commissions and all friendly legislators so this branch of government fulfills its duty to the nation.

Panama is a small country being threatened by a giant. We need the solidarity of all countries, especially the Latin American countries. As president of the Legislative Assembly, I will continue to denounce the aggression against our country at all world parliaments. However, among all the actions required to confront foreign aggression, unity is perhaps what we need the most. We need to join together against the foreign threat. We cannot allow ourselves to be divided from abroad. General Torrijos' words are truer today than ever before: Neither with the left nor with the right. With Panama. [applause] I will do everything I possibly can to achieve unity. I will use all my experience and all my desire for peace and conciliation to promote here in the Assembly the right climate for open talks among all political parties, unions, associations, and civic and religious organizations. Dialogue without offense and within a framework of respect and good sense will lead us to unify our efforts and allow us to start a reconstruction process.

People must go to the ballot boxes to elect the next president, new legislators, and the people's government during the legislative period that starts today.

We are peacefully heading toward those elections, during which the country will democratically elect those who will represent it for the next 5 years. Thus, excluding no one and allowing a free discussion of all problems, we

will avoid falling into the spiral of violence into which some people abroad want to push us. Anyone wishing political power will have to seek and win it vote by vote. [applause]

I appeal to the entire citizenry; to the government and opposition parties; to the members of the Liberal, Labor, Republican, Christian Democratic, and Panamenist Parties; to the newly registered parties and those in the process of registration; to absolutely everybody; and to our glorious Democratic Revolutionary Party, PRD, too: [applause] Let us seek through the elections the best avenue to a peaceful solution of political differences among Panamanians.

Fellow citizens, when addressing this legislative body in 1924, President Belisario Porras said it was necessary to enact a law, and I quote, to declare traitors to the homeland those who in any way ask for foreign intervention in our political campaigns, unquote. [applause]. Porras also said that only by placing patriotism above all other feelings will we be able to preserve the independence of our small nation. The current relevance of these thoughts validates our struggle for the nation's construction, which, after 60 years, has not ended.

When we reach the year 2000, fully free and sovereign, we will realize what a crucial role the soldiers of the Panama Defense Forces [FDP] and the volunteers of the dignity battalions have played in achieving our full independence. For this reason, I avail myself of this occasion to express my support to them and also to express our appreciation for the patriotism, patience, and nationalism of the persevering leader of Panama's peaceful struggle, our commander of dignity, Manuel Antonio Noriega. [applause, slogans]

Finally, I must say that this student of the teachers school in Santiago, this teacher of the school in Ocu, this worker for recovery and enhancement of the nation's folklore, this small farmer, this legislator representing the rural workers, this proud Panamanian who is now chairman of the Legislative Assembly will, from this forward post, uphold our homeland's flag and will, with his usual nature and the firmness learned from his ancestors, know how to keep it up during the present historic moment.

I offer my work and good will to the Assembly; my priceless and unconditional love to our homeland; and my faith to God, who is Truth. Thank you very much. [applause, shouts]

FENASEP Issues Agenda for 'Week of Struggle'
PA0209234288 Panama City LA REPUBLICA
in Spanish 31 Aug 88 p 2

[Article by Cristobal Martinez R.: "FENASEP Approves Struggle Campaign"]

[Text] After 7 hours of discussions, the National Federation of Associations of Public Employees [FENASEP] approved the holding of the 7th week of struggle. Its

basic objectives are engaging in a good struggle against imperialist aggressions, obtaining payment of the 13th-month wages, cleaning up the administration, eliminating Decree 23, and respecting the decree giving government employees job stability through a civil service system.

The talks held by leaders of 35 government employee organizations were presided over by FENASEP Secretary General Hector Aleman. The meeting permitted the leaders of the FENASEP National Executive Committee to thoroughly explain the scope of the 7th week of struggle.

In this respect, the proposal to include the struggle against imperialist aggression is part of the process we are waging to achieve complete decolonization. Regarding civil service, it was explained, within the framework of the historical context, that we must prepare ourselves for the year 2000, when we will receive the canal, where a high level of efficiency exists.

After the corresponding explanations, the FENASEP leadership, composed of leaders of the associations of government employees and the National Executive Committee, approved an agenda of activities for the 7th week of struggle.

The agenda for 31 August includes general coordination, drafting of communiques, various interviews, and a meeting of the board of directors and delegates. On 1 September, the agenda calls for the dissemination of the communiques, a news conference, and picketing the Legislative Assembly. On 2 September, there will be a submission of proposals to the advisory commission of the executive branch and a meeting with the Popular Unity Front. From 5 to 7 September, there will be assemblies in all the organizations with the participation of national leaders and a meeting of the board of directors. On 8 September, there will be a march from Porras Park to the presidential palace.

School Announces Reopening of Classes

PA0509172288 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Sep 88 p 1-A

[Text] The principal of the Melchor Lasso de la Vega Arts and Crafts School reports to parents and guardians that beginning today, 5 September, classes will be resumed at all levels following the adoption of administrative and disciplinary measures that will allow the teaching and learning process to function normally.

The reopening ceremony will take place at the usual hour when the national anthem is played. The professors, directors, administrative personnel, and parents, who should accompany their children to school for the appropriate shift (morning or afternoon), will attend this ceremony.

Following the temporary closure of the school as a result of the vandalism and lack of discipline by some students groups, the school director has received support from the Education Ministry, the Council of Professors, and the Parents Association delegates to stress the importance of complying with the adopted disciplinary measures that will permit not only the reopening of the Arts and Crafts School but will also maintain the basic conditions for its normal operation as a school.

DENI Chief Details Anti-Drug Operations

PA0309024188 Panama City CRITICA in Spanish
1 Sep 88 pp 1, 14

[Article by Toti Urriola: "96 Drug Traffickers Arrested in August"]

[Text] The Republic of Panama is part of a continental force against drugs. As a result of the campaign against drugs, 221.986 kg of cocaine, 1.362 kg of cocaine sulfate, and 89.277 kg of marijuana were seized. In addition, approximately 96 people of different nationalities linked to drug trafficking activities were arrested, \$2.084 million was confiscated, and 27 hectares of planted marijuana in the Las Perlas Archipelago were burned. Lieutenant Colonel Nivaldo Madrinan, director of the National Department of Investigation [DENI], made the announcement during a news conference. He commented on our country's struggle against international drug trafficking.

The head of the country's highest criminal investigation office noted that Panama has joined the fight waged by 30 Latin American and European countries. The results of the campaign have been positive; 11 tons of cocaine, 222 tons of marijuana, 264 kg of hashish, 22 kg of heroin, and property and cash totaling \$14 million have been seized.

In the anti-drug raids, Panamanian authorities have arrested approximately 1,267 [figure as published] people of different nationalities.

Lt Col Madrinan also noted that all the operations conducted by the Republic of Panama are based on the agreement reached at the Fifth International Conference on Drug Control. The conference was held in Guatemala in March.

Madrinan said the Republic of Panama signed that agreement, which involves air, land, and sea operations to control drug trafficking strictly by destroying plantations and intercepting drug shipments. It also involves controlling chemicals used to manufacture hallucinogens known as "clandestine pipes."

He stated the Republic of Panama met its objectives because of the Special Anti-Drug Trafficking Force, the National Navy, the National Directorate of Land Traffic and Transportation, the Immigration Department, the Panamanian Air Force, Civil Aeronautics, and the Attorney General's Office.

While addressing the reporters, the DENI director was accompanied by Attorney General Augusto Villalaz and DENI Deputy General Director Major Domitilo Cordoba.

Air Panama Manager Vows To Continue Operation
PA0209200088 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Sep 88

[Interview with Air Panama General Manager Cesar Rodriguez Maylin by unidentified reporters; date and place not given—recorded]

[Text] [Rodriguez] In 1 month, or even less than a month, the airline [Air Panama] will end up with no liquidity whatsoever because it is not producing enough to meet the payroll. Our losses during these months of crisis amount to \$18 million.

[Reporter] I understand that employees had previously said they were willing to continue working while receiving only half their salaries. Is that true?

[Rodriguez] Yes. We paid them only half their salaries, but at this point the airline cannot even afford to pay that half. We must therefore make a heroic decision to save the airline. The month of September will be critical if a decision is not made.

[Reporter] You had previously said there would be no dismissals at Air Panama, but now you say exactly the opposite. How do you explain that?

[Rodriguez] It is one thing to talk about dismissals, and another to talk about personnel reduction. We are cutting down on personnel because the airline cannot deal with the labor force right now and we have to take action. We are taking this action together with the executive branch. I am only the manager. The executive branch appoints me. We need to follow a serious policy to save the airline.

[Reporter] The employees claim the executive had approved their rehiring.

[Rodriguez] The executive did approve their rehiring, but this measure is only a palliative. Very soon we will not be able to meet their wage demands. We will not sell or close down the airline. It will remain a state institution and will continue operating. Those who want to isolate our country by closing down this airline will not succeed. This plot has been orchestrated to force the airline to close down because it cannot survive. However, we will not close it down. There are also many people working at Air Panama who want to bankrupt the airline to help achieve the United States' goal of isolating our country. But the Solis Palma administration will not shut down or sell the airline. We will continue. We want that to be very clear to the community.

Briefs

New Ambassador to Israel

Major Rodolfo Ulises Castrellon Barahona, new Panamanian ambassador to Israel, presented his credentials to Israeli President Hayim Herzog. EFE reported this today, indicating 42-year-old Castrellon was a military attache in Argentina. He replaces Eduardo Herrera, also a military officer, who was dismissed by the Panamanian Government in April. EFE noted Castrellon had been General Manuel Antonio Noriega's personal pilot. [Text] [PA0609132788 Panama City Circuito RPC Television in Spanish 2342 GMT 5 Sep 88]

Argentina

Economic Recovery, Growth Program Issued
PY0209204788 Buenos Aires TELAM in Spanish
0041 GMT 2 Sep 88

[Text] Buenos Aires, 1 Sep (TELAM)—Today Secretary of Economic Coordination Adolfo Canitrot released the program for the recovery and sustained growth of the economy. The 55-page document details the objectives and initiatives that the government intends to implement in the middle-and long-terms.

Canitrot told journalists: This document will put our ideas in order; it is important to write down our criteria for economic development. The meeting was also attended by Central Bank Director Daniel Marx, who coordinated the editing of the program, which was made possible by the cooperation of 30 other public officials.

Canitrot said a copy of the document had already been submitted to World Bank Vice President Shahid Husain, who was in Buenos Aires until 30 August. Husain said he agreed with the plan, which will be used as framework for future loans. The World Bank is currently considering loans to the country worth \$750 million.

Canitrot, second in the hierarchy at the Economy Ministry after Juan Sourrouille, said the program will not be used for political purposes because its projections go beyond party differences.

Canitrot said those in power after December 1989 [when a new government will be installed] will have the right to change it. He expressed hope, however, that the document could form a basis for discussion with the various productive sectors within the framework of the dialogue that the government initiated with businessmen last month.

The different sections of the document were proposed by the economic secretariats and discussed by the editing committee. Altogether they represent 6 months of work.

The program is divided in three main sections: Argentina's integration into the world, the reform of the state, and the deregulation of the economy. It does not contain any outstanding articles, except a monthly schedule of concrete initiatives through December of this year.

The schedule for August had included the partial privatization of Aerolineas Argentinas, the sale of ATANOR [expansion unknown], and the evaluation of Rio Tercero Petrochemical assets.

September's schedule includes sending the Aerolineas Argentinas privatization contract to Congress; the beginning of negotiations for the sale of the INDUCLOR [expansion unknown], PETROPOL [expansion unknown], and Monomeros Vinilicos Companies; the privatization of the new gas processing plant project (separating plant); the

conclusion of the contract for partial privatization of ENTEL [National Telecommunications Enterprise] and its submission to Congress; the first round of bidding within the framework of PETROPLAN [expansion unknown]; the implementation of the first stages of a program of leave reduction since the public sector in order to reduce absenteeism; the submission to Congress of a draft bill creating an entity independent of the Central Bank to liquidate financial institutions in bankruptcy, and creating another institution to guarantee deposits up to a specific limit.

October's schedule includes a reduction in the number of imported items that are subjected to a quota, the list will be reduced to 10 percent of its current size; the reduction of customs duties to 30 percent (currently duties average 48 percent); the establishment of a new tariff schedule ranging from 5 to 40 percent; the introduction of an antidumping [preceding word in English] mechanism based on considerations of national economic interest and in accordance with GATT; the identification of public services that could be more efficiently contracted outside the public sector, especially in the Health and Economy Ministries; and the restructuring of Government Coal Deposits through, among other things, the elimination of its Buenos Aires office.

November's schedule includes the deadline for the receipt of bids for the purchase of Forja Argentina, Polisor [expansion unknown], and Carboquimica Argentina. It also foresees the fourth tender bidding within the framework of the Houston Plan (oil).

December's schedule includes the presentation to Congress of a bill regulating fishing sector activities, including international cooperation for the development of the sector; the reorganization of the most important banks of the public sector through recapitalization, reorganization, and the continued gradual elimination of Central Bank financing; the reorganization of the National Mortgage Bank through continued gradual elimination of Central Bank financing and the expansion of the National Mortgage Bank operations; and the presentation to Congress of a bill on changes to be made to the Central Bank statutes, giving the Bank more autonomy and limiting the number of its operations aimed at financing the public sector.

In the field of structural reorganization, the schedule foresees the reorganization of public administration personnel through different wage scales and the updating of programs and training, and the structural reorganization of certain organizations.

The program for investments in the energy sector will also be reviewed. A plan for the financial recovery of energy sector companies, aimed at reestablishing and sustaining the sector's financial stability, including the adoption of a system of public utility rates based on costs, will continue to be implemented; and the distortions that arise from regional needs will be eliminated.

The financing of the nuclear program will be reviewed.

The policies and procedures of the National Housing Fund will be reviewed, and fund subsidies will be assigned to the poorest strata of society.

There will be changes with respect to the policy currently being adopted by the central administration and the public companies regarding preference given to Argentine-made products, and the cost of goods and services will be reduced through greater competitiveness.

The plan for the privatization and demonopolization of the sectors of telecommunications, oil, gas, steel, and railroad and airline services will continue to be implemented. Three new railroad companies will be created: one for freight, one for transportation of passengers on long trips, and one for urban transportation. Private capital will be incorporated into the three new companies.

Stronger support will be given to the private social security system (payment of lifetime pension insurances).

In the financial area, the Central Bank financing of state-owned bank operations will be gradually eliminated, and the development of capital markets will be stimulated.

Export regulations will be made simpler and more liberal, particularly for the exports of small- and medium-size companies. The system of automatic temporary admission for exports will be consolidated, and a new law promoting the industrial sector will be promulgated.

The customs tariffs for the purchase of fishing boats will be reduced in order to increase fish exports.

Government Oil Deposits (YPF) will be reorganized in accordance with the principles of programming through goals, the identification of centers of cost [centros de costos], decentralization, and the implementation of administrative autonomy.

The National Food Program and the School Snack Program will continue to be implemented.

Brodersohn, Marx, To Depart for U.S. for Talks
PY0509175788 Buenos Aires *Domestic Service*
in Spanish 1600 GMT 5 Sep 88

[Text] Finance Secretary Mario Brodersohn and Central Bank Director Daniel Marx will leave tomorrow, 6 September, for the United States to begin a new round of talks with creditor banks, seeking financing for the fiscal deficit and for the payment of debt interests.

IMF Official Begins Stay in Buenos Aires
PY0509165388 Buenos Aires *BUENOS AIRES*
HERALD in English 5 Sep 88 p 7

[Text] (NA-DYN)—The chief negotiator for the International Monetary Fund (IMF), Desmond Lachman, arrived in Buenos Aires yesterday and is expected to remain here for 6 to 10 days.

Lachman will be analyzing the state of the Argentine economy to determine whether the IMF should authorize a 1.2 billion (thousand-million) dollar "stand-by" loan.

Along with the four other members of the IMF technical analysis team, Lachman will be reviewing economic data concerning the past two months, and will be meeting with Argentine authorities to get a clearer picture of fiscal and monetary policies as well as balance of payments statistics.

Upon arrival in Ezeiza Airport, journalists asked Lachman if there were any impediments to Argentina obtaining the "stand-by" loan.

"I'm not going to answer questions on that subject," Lachman said.

Obtaining the 1.2 billion-dollar credit is considered to be vital in order to enable the government to fulfill its financial obligations for this year.

But various sources abroad have predicted that the IMF will not disburse the funds because Argentina has failed to meet prior financial criteria.

An article in the New York based JOURNAL OF COMMERCE said that international creditors are not very enthusiastic about loaning more money to Argentina because they have little faith that President Raul Alfonsin's administration can carry out the economic reforms that are so badly needed.

In turn, the British magazine THE ECONOMIST, reported that "International bankers are fed up with Argentine inefficiency, and at least two European IMF directors are wondering whether it is worthwhile formulating an economic plan for Argentina."

On the other hand, a number of articles published recently have spoken about the alleged decline of the IMF as a leading financial organization and the growing importance of the World Bank.

An Argentine publication wrote the other day that "The ideological framework of the IMF does not correspond to Latin American reality" and said the destiny of the fund lies in the hands of the United States Treasury.

Meanwhile as this debate continues, a US cultural information service, Economy and Business, reported yesterday that the IMF had created a new loan servicing plan to help countries reduce the impact of growing interest payments.

The new plan is also meant to safeguard countries against falling export earnings and the increasing cost of imports.

Caputo Leaves for Nonaligned Meeting in Cyprus
PY0609215688 Buenos Aires TELAM in Spanish
2018 GMT 6 Sep 88

[Text] Buenos Aires, 6 Sep (TELAM)—Foreign Minister Dante Caputo departed this afternoon for Nicosia (Cyprus), where he will attend a meeting of foreign ministers of the Nonaligned Movement to discuss the nomination of candidates for chairman of this movement.

Caputo boarded his plane 45 minutes ahead of time and did not talk to newsmen at Ezeiza International Airport.

II Army Corps Commander Says No Coup Planned
PY0609220588 Buenos Aires DYN in Spanish
1748 GMT 6 Sep 88

[Text] Rosario, 6 Sep (DYN)—Today II Army Corps Commander General Juan Mabragana said that the Army "does not intend to instigate a coup d'etat, regardless of who wins the 1989 elections." He accused former Lieutenant Colonel Aldo Rico of seeking to "involve" the current military leadership in this type of speculation.

Speaking about Rico's remarks that if Carlos Menem wins the 1989 elections, some groups within the Army would force Menem's overthrow, Gen Mabragana stated that "perhaps he has one (a coup d'etat) in mind and wants to involve us."

In brief remarks to Channel 3 of Rosario, Gen Mabragana said that "The Army and the Army chain of command does not intend to instigate a coup d'etat (in 1989), regardless of who wins the presidential elections."

Judge Overturns Military Court's Decision
PY0609145288 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2240 GMT 5 Sep 88

[All names and ranks as received]

[Text] Buenos Aires, 5 Sep (NA)—The Army Staff today officially reported that 5 of the 17 officers who had been placed on availability status were reinstated to their posts between 25 August and 1 September when it was proved that they were not involved in cases investigated by the military court.

Although the Army Staff communique only refers to "military procedures to clarify alleged violations of Army regulations," it is clear that the Army is referring to officers suspected of having been connected with rebel Army cells loyal to former Lieutenant Colonel Aldo Rico.

One of the points of the communique—which seems to be a reply to recent civil court decisions granting writs of amparo and reinstatement to their posts of officers previously placed on availability status by a military court—states that the resolutions of the Army chief of staff are based on his legal powers stemming from his rank.

The decision to place 17 military officers on availability status—now reversed for a senior officer and 4 junior officers—was made after an investigation of a kidnapping case in which a retired and active officer were involved.

Documents proving the existence of a rebel cell within the Army were found in Mayor Jorge D'amico's cell in Magdalena prison during a military court ordered raid.

Afterward, and within the framework of open investigations, the military court decided to place Major Danilo Campos, from the 4th Communications company of Cordoba, and Majors Jorge di Pasquale and Hugo Vercelloti on availability status. The latter two majors then filed a petition for a writ of amparo before a civilian court.

Judge Oscar Garzon Funes' decision to grant them the writ of amparo and to order Army Chief of Staff General Dante Caridi to reinstate them in their posts prompted President Raul Alfonsin to appeal to the civilian judge's decision as Armed Forces commander in chief.

In a five-page document, Alfonsin said that the civilian judge's decision represents "an inadmissible interference" in the powers bestowed on him by paragraphs 15 and 17 of Article No 86 of the Constitution.

The text of the communique, released today by the Army, reads as follows:

"Regarding the resolution adopted by the Army chief of staff to place 17 Army officers on 'availability status,' it is hereby informed that:

"1. The resolution is the consequence of their involvement in cases investigated by the military court, to clarify alleged violations of Army regulations, and to find out who is really responsible for these actions.

"2. Since there is no evidence of the involvement in the aforementioned cases of a senior officer and four junior officers, the Army chief of staff decided, between 25 August and 1 September, to lift the 'availability status' to which they had been placed.

"3. Twelve officers will remain under the 'availability status' until investigations into their involvement in the aforementioned cases is fully cleared.

"4. The resolutions adopted by the Army chief of staff are based on his powers stemming from the law and from his rank.

"5. The administration of justice, based on the measures adopted, seeks to preserve discipline and to safeguard the essential values of the Argentine Army."

Status of Officer Lifted

PY0609221788 Buenos Aires TELAM in Spanish
1517 GMT 6 Sep 88

[Text] Buenos Aires, 6 Sep (TELAM)—Today at noon, Army sources reported that, according to a decision made by Army Chief of Staff General Jose Dante Caridi, another officer who had been on availability status has joined the list of five Army officers who are no longer on availability status.

The officer is Captain Jorge Affani, who has joined a list including Major Eduardo Jordan, a Supreme War College student; Captain Mario Alvarez, a student at the Advanced Technical School of the Army; Captain Luis Candia, a Supreme War College Student; and First Lieutenants Jose Arce and Enrique Di Patti, both of whom are students at the Army Intelligence School.

As a result of this decision, 11 Army officers remain on availability status. This matter must be resolved by the military courts as soon as they investigate the actions that allegedly disrupted discipline.

Naval Maneuvers Set With Brazil for 16-19 Sep
PY0509122588 Buenos Aires TELAM in Spanish
1649 GMT 4 Sep 88

[Text] Mar del Plata, 4 Sep (TELAM)—Mar del Plata Naval Base sources have reported that warships of the Argentine and Brazilian Navies, which will carry out operation "Fraterno X," will arrive at the Mar del Plata Naval Base from 16 to 19 September.

The Argentine naval group is commanded by Ship-of-the-line Captain Juan Carlos Cairo while the Brazilian naval group is commanded by Ship-of-the-line [as received] Captain Augusto Ozorio.

The destroyers "Almirante Brown" and "Heroína," the corvettes [as received] "Espora" and "Drummon," the submarine "Santa Cruz," the transport ship "Teniente Ovieri," and airplanes and helicopters of the naval aviation will participate in the operation on the Argentine side.

In turn, the Brazilian naval force is made up of the frigates "Niteroi" and "Liberal," the destroyers "Rio Grande do Norte" and "Mariz E. Barros," and the submarine "Tonelero."

It has been reported that the operation, which is carried out yearly, permits the countries to carry out joint antisubmarine, surface, and antiaircraft training operations, and to strengthen the relations between the two Navies.

Agreement Signed With Italian Official
PY0209042188 Buenos Aires DYN in Spanish
2330 GMT 1 Sep 88

[Text] Cordoba, 1 Sep (DYN)—Today Cordoba Governor Eduardo Angeloz and Italian Deputy Prime Minister Gianni de Michelis signed a memorandum of understanding for the association of companies that will facilitate the creation of some 1,200 new jobs opportunities in Cordoba.

The agreement provides for "an investment of \$76 million by the private sector, which implies a sales volume totaling \$294 million among all enterprises," Angeloz stated.

The agreement provides for the development of 23 projects in several areas of the private sector, and others in the public sector such as the construction of projects "which are very important for Cordoba," the UCR presidential candidate stated.

He added: "Projects that imply growth, development, new job opportunities, and the increase in the living conditions of the people in Cordoba, will be implemented."

The memorandum was signed by Governor Angeloz and the directors of the Italian Consortium CODEPA Cristiano Ratazzi and Leopoldo Lodi, during a ceremony held at Government House. Present at the ceremony also was Italian Ambassador to Argentina Lodovico di Camerana.

Angeloz expressed his conviction that these projects "will not be blocked in Buenos Aires due to bureaucracy," because "We have overcome the paperwork that at one time imposed some impediments."

He added that "There is nothing more important for the province than to recover its growth potentials." He said that the objective of the agreements signed is "on the one hand, to bring highly developed technology to Cordoba, and on the other hand, not only to supply the domestic market but essentially to export."

Editorial on Building a Nuclear Submarine
PY0609153588 Buenos Aires LA PRENSA in Spanish
5 Sep 88 p 8

[Miguel J. Culaciatti editorial: "The Nuclear Submarine"]

[Text] A well-known Argentine scientist has recently said that the country was going to build a nuclear engine to be used in submarines.

If we take into consideration that we have built a submarine-manufacturing plant under a German license—which so far has built nothing despite the huge sums already spent on it by the state—and that we, therefore, could build one or more submarines and equip them with nuclear engines, we can understand the fear of some of our neighbors and of the super powers, who are alarmed by the nuclear policy adopted by our country some 20 years ago.

As soon as the scientist said we might build nuclear engines, the CNEA chairwoman immediately made it clear that the CNEA is not building any nuclear reactor for submarines, and that if it were "She would have been informed...."

The CNEA chairwoman pointed out that this type of project would cost billions of dollars which, as everyone knows, the CNEA does not have.

She also denied rumors that secret Navy funds would be used to finance the project.

What she failed to say, however, is that one of her predecessors, Admiral Castro Madero, had begun "a feasibility study" regarding the construction of a nuclear engine for submarines. According to knowledgeable sources, Adm Castro Madero was been wondering about this type of engine. Castro Madero's concern is understandable because the dream of any country's Navy is to have its own nuclear submarine.

During his administration, Adm Castro Madero authorized the use of \$90 million in the preparation of this "feasibility study." At the time of the Malvinas war, this bit of news became known to the public, and the CNEA confirmed it.

From the energy point of view, it is acceptable that Argentina becomes interested in developing a nuclear submarine. What has yet to be decided is whether or not this project is technically and economically viable and whether or not it should be considered a priority for the country's defense.

The CNEA and other national organizations may be in a position to build a small reactor to move a submarine engine but, to move this reactor we would need enriched uranium.

Does the country have enough enriched uranium to feed such a reactor?

We apparently do not have enough enriched uranium, and our possibilities of producing it in greater quantities than those required for use in laboratories seem small. Therefore, if we do build a nuclear submarine, we will have to find an enriched uranium supplier who agrees to sell us the quantity we need for a submarine.

How much would we spend on a nuclear engine?

The CNEA chairwoman mentioned \$1 billion, and she must know what she is talking about. When mentioning this amount, however, she forgot to include the equipment required to produce enriched uranium; the control technology; the accessories required to safely operate the submarine; and a new submarine's design because the submarines we can build can only take much lighter and smaller batteries and engines.

If the technical and economic difficulties for the construction of such a submarine were overcome, we would still have to wonder whether or not this type of submarine would be worth building.

This question, however, cannot be answered on its own. It must be answered within the framework of the entire Argentine nuclear policy.

A nuclear submarine is not the same as an atomic bomb (although Adm Castro Madero said the British violated the nonproliferation treaty by using nuclear submarines in the South Atlantic war). Therefore, if Argentina builds a nuclear submarine, it will not suffer the sanctions and retaliations that it would if it detonated a nuclear bomb.

To be consistently logical, however, we would have to have a sufficient supply of nationally enriched uranium in order to think of building and operating a nuclear submarine.

During the war against the United Kingdom and its allies, the Argentine Navy claimed, in a very controversial statement, that it could not risk its ships in a naval battle against the British in view of the presence of their nuclear submarines.

Would having a nuclear submarine prevent Argentina from adopting that same attitude again?

Of course not. Such a submarine can only be effective with the tactical support of highly sophisticated communications, and only if the enemy has no air support, torpedoes, or underwater missiles, and/or nuclear weapons. All these circumstances must be added to the strategic decision of assuming the risks of a possible enemy reaction.

Although in the short term we cannot obtain the necessary electronic technology, the satellites, the torpedoes, the missiles, etc., that are used by modern nuclear submarines, the adventure of building such a submarine

may prove to be rewarding. Perhaps we can build it with Brazil which has already showed interest in building its own nuclear submarine. The potential export market may prove interesting.

If we manage to build a small reactor for naval use, we may enter a trade field much more interesting than that of the unsuccessful technology "exports" that we have tried in the past. At the same time, we would be advancing toward mastering the technology of enriched of uranium, which is the only way of successfully competing in the international market.

Our country has made large investments in the nuclear area, with questionable benefits. The identical situation is that of the submarine construction plant that lies almost completely idle today.

The decision to be made depends on whether we can obtain some benefit from that investment, if this is at all possible with the current situation.

The export possibilities of the war materiel industry should not be disregarded because they can open new markets for us. The nuclear submarine project should be seriously evaluated by the government and Congress to determine if the "feasibility studies" are worth being carried forward by exploring possibilities for cooperation with Brazil or other countries.

We may not know for some time whether Argentina has completed the feasibility studies for the construction of a submarine nuclear reactor.

Low-power nuclear reactors operating on enriched uranium have already been built in the country—reactors of 5 MW or about 6,000 HP. Supposing that a submarine requires twice as much driving power, it is conceivable that a naval reactor could be built, even considering the technological difficulties posed by the small space in which it must be installed.

The manufacture of a reactor—including its controls, safety, and power—is within our technological reach. The manufacture of the submarine itself is something else, the cost of which at international prices should surpass \$1 billion.

Argentina might possibly be in the position to build a naval reactor and, perhaps, to supply it with the necessary fuel in the medium term. If so, this project might certainly yield economic and political benefits.

Two Bombs Explode; No Casualties Reported
PY0509154288 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1112 GMT 5 Sep 88

[Text] Cordoba, 5 Sep (NA)—Two bombs went off at dawn today in this capital causing considerable material damages but no casualties. The bombs went off at the Supreme Court building and the headquarters of the provincial Energy Enterprise.

The first bomb exploded at 0325 in a flowerbed at the entrance of the Energy Enterprise on 335 Mitre Boulevard.

The second bomb went off at 0340 in one of the entrances of the provincial Supreme Court on 600 Duarte Quiros Street.

Brazil

Sarney Support for Guimaraes Candidacy Denied
PY0709035888 Rio de Janeiro O GLOBO in Portuguese
6 Sep 88 p 1

[Text] Planalto Palace spokesman Carlos Henrique Santos yesterday denied that President Sarney has decided to support the designation of Deputy Ulysses Guimaraes as candidate for president, because, he said, political parties have not yet officially launched their candidates.

Sarney is currently concerned about the implementation of the government's economic plan. According to Sarney, it would be unreasonable to encourage the launching of a presidential campaign a year and a half before the elections, the spokesman said.

Santos said that Sarney had stated, as he did on other occasions, that Ulysses is a government official who qualifies for any post, even the Presidency.

Housing and Urban Minister Prisco Viana, who was accompanying Sarney, endorsed the spokesman's remarks.

Sarney 'Friends' Granted Cable TV Concessions
PY0609011388 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 3 Sep 88 p A-4

[By Roberto Lopes]

[Excerpt] Brasilia—President Jose Sarney yesterday signed decree No 96,632 "granting a concession to the Paulista Metro-TVA Ltd." company for the development of a cable television station over a 15-year period in metropolitan Sao Paulo (greater Sao Paulo). Paulista Metro-TVA Ltd. belongs to Roberto Marinho, president of Globo Organizations and a friend of President Sarney. A group linked with Sao Paulo businessman Matias Machline (owner of Sharp company) and Walter Fontoura, O GLOBO newspaper director in Sao Paulo—both friends of President Sarney—will also be given similar concessions.

Communications Minister Antonio Carlos Magalhaes did not consider it necessary to authorize cable television concessions for Machline and Fontoura. He spoke to President Sarney about Fontoura's case, but he did not say anything about Machline. The minister knows that Sarney and Machline are very close friends. Minister Magalhaes only defended the concessions for the Marinho business group and for the Abril Publishing

Company (the first concession Sarney granted). The decree granting a concession to the Paulista Metro-TVA was published in the official gazette yesterday.

The concessions are being granted before the new constitution is approved, because after its promulgation any recommendation made by the president will first have to be approved by Congress. [passage omitted]

Sarney Creates Housing, Social Welfare Ministry
PY0309004788 Brasilia Domestic Service in Portuguese
2200 GMT 2 Sep 88

[Text] President Jose Sarney today signed a decree creating the Housing and Social Welfare Ministry, which will replace the Ministry for Housing and Urban Affairs.

The announcement was just made here at Planalto Palace by Minister Ronaldo Costa Couto, chief of the civilian household of the Presidency.

[Begin Costa recording] The president always wanted to create the Social Welfare Ministry: He has now done it. He has also included urban affairs under this ministry. The Housing and Social Welfare Ministry will be responsible for the government's social assistance policy. Prisco Vianna, who was the housing and urban affairs minister, will be the housing and social welfare minister. Minister Prisco Vianna will be charged with coordinating the government's social assistance policy.

The following organizations will be under the new ministry: the Federal Savings Bank, the Special Secretariat for Community Action, SEAC; the Brazilian Welfare Legion, LBA; the Coordinating Board for the Handicapped, CORD; and the National Child Welfare Foundation, FUNABEM.

Those organizations related to the environment and urban affairs will be transferred to the Interior Ministry and the Brazilian Urban Transportation Co. will go to the Transport Ministry. [end recording]

Minister Costa Couto also reported that on 6 September, President Sarney will submit to the Federal Senate a proposal nominating the new governor of Brasilia, who will replace Senator Alexandre Costa.

Further on Nuclear Program Reorganization
PY0609151588 Sao Paulo O ESTADO DE SAO
PAULO in Portuguese 1 Sep 88 p 35

[Text] Rio de Janeiro—None of the 5,200 employees of Nuclebras will be fired. This information was conveyed by Mines and Energy Minister Aureliano Chaves to Nuclebras President Licinio Seabra on the night of 30 August when Seabra was informed of the government's decision to close down Nuclebras.

Seabra conveyed the government's decision to his five directors at 1730 yesterday. Licinio Seabra has already been discharged by President Jose Sarney, but the details of the government decision will be revealed today in the official gazette and when Seabra meets with Aureliano Chaves, who came to Rio de Janeiro last night. The construction of the Angra II and III nuclear plants will be transferred to Eletrobras [Brazilian Electric Power Companies, Inc.]. The changes in the subsidiaries of Nuclebras are as follows:

Nuclep [Nuclebras Heavy Equipment, Inc.]: It was built in Itaguaí, Rio de Janeiro State, and it is the largest boiler factory in Latin America. It has the capacity to process at the same time containers [vasos de contencao] for four nuclear plants. It will produce the hull of the first Brazilian nuclear submarine. This company will be privatized.

Nucen—Nuclebras Engineering, Inc.: A company for drawing up projects for nuclear plants. It designed nuclear plants for Nuclebras. It will now become a subsidiary of Eletrobras.

Nuclemon [Nuclebras Monazite and Associated Elements, Ltd.]: This company conducts prospecting for rare earth and monazite deposits in Rio de Janeiro and Espírito Santo States. It is a profitable enterprise, which before Nuclebras was created was under the National Commission for Nuclear Energy (CNEN) and the Brazilian Nuclear Technology Company (CBTN), the latter of which was closed down when the agreement with the FRG was signed. This company will be privatized.

Nuclear Technology Development Center (CDTN): This company operates in Belo Horizonte to adapt technologies from other countries to the national situation. It will be transferred to the CNEN.

Nuclei [Nuclebras Isotope Enrichment, Inc.]: It produces enriched uranium, which is one of the last stages of the fuel cycle. It will be transferred to the new company Uranium of Brazil [Uranio do Brasil].

Fuel Elements Factory (FEC): It operates in Rezende, Rio de Janeiro State. It makes the final fuel for nuclear reactors, and it was also designed to reprocess the fuel burned by the nuclear plants. It will be transferred to Uranium of Brazil.

Nustep [not further identified]: It has its headquarters in the FRG, and it is managed by the two countries. It served to transfer the jet nozzle [preceding two words in English] technology, the FRG technology for uranium enrichment, to Nuclebras. It has been closed down.

Nuclam [Nuclebras Mining Assistance, Inc.]: A mineral company with 51 percent of its capital in the hands of Nuclebras and the remaining percentage in the FRG. It was created to find uranium. It was not successful, and it

has been closed down. The success in mining belongs to Nuclebras, which was able to increase the country's reserves from 10,000 to 315,000 tons.

CNEN Chief on Policy

PY0609171588 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 3 Sep 88 p A-5

[Text] CNEN President Rex Nazareth, 52, yesterday said that Brazil will not go back on international agreements but will have to review some contracts with the FRG now that the official nuclear program signed with that country in 1975 and the Armed Forces' parallel program have been consolidated under his supervision. He said that contacts are being maintained with the FRG through Ambassador Rego Barros. However, Nazareth did not reveal which contracts might be reviewed.

Asked about the future of the Angra II and III nuclear plants, located in Angra dos Reis municipality, Rio de Janeiro State, Nazareth said that "closer evaluation of our hydroelectric potential has indicated that we will not need many nuclear plants in the near future." In 1980, however, Nazareth favored the construction of eight nuclear plants. However, during this interview, he affirmed that "the nuclear program must be brought into line with Brazil's needs. We cannot generate deficits and create inflationary pressures."

The CNEN president reasserted that the official nuclear program "did not fail," but that with the measures the government has just adopted, the national treasury's participation in nuclear projects will be reduced every year "based on a cost-benefit evaluation." He did not elaborate further. Nazareth said that the private sector is interested in participating in projects in the mining area, for instance, and he said: "I have talked with important businessmen."

As he was walking out of the room where the news conference was held, Nazareth said that Brazil will join Argentina in developing "fast-breeder" reactors. He had said before that Brazil intends to participate in the international fuel-cycle market, which moves resources on the order of \$11.5 billion, nearly 3.4 trillion cruzados, a year.

The CNEN president affirmed that "we are not going to export uranium ore because the market pays very little. We have to add technology to those products the world may need from us." Concluding, he noted that Brazil produces uranium for its own consumption, but he admitted that production is still on a "concentrated" scale.

Eletrobras Head Comments

PY0609173088 Rio de Janeiro O GLOBO in Portuguese
3 Sep 88 p 17

[Text] Eletrobras President Mario Bhering yesterday said that he will postpone the construction of hydroelectric plants in order to provide resources for the completion of

the Angra I and II nuclear plants. However, he said the ongoing construction of hydroelectric plants in the south-east and northeast regions will not be discontinued.

Bhering also said that in addition to postponing hydroelectric projects, Eletrobras will increase utility rates, renegotiate debts, and seek financing from the FRG.

Bhering explained that the Sectorial Recovery Plan has earmarked \$5.9 billion in next year's budget for Eletrobras (\$2.8 billion) and Eletrobras subsidiaries in various states (\$3.1 billion).

Eletrobras will need additional resources of \$263 million in next year's budget to continue with the construction of the Angra I and II nuclear plants. It will also need \$69 million from the treasury and \$77.9 million in financing from the FRG.

"We will try to handle this radioactive hot potato," Bhering quipped.

He admitted, however, that the construction of Angra II will be delayed if the necessary resources are not forthcoming.

Bhering criticized the nuclear program installed during the Geisel government by [former Nuclebras President] Paulo Nogueira Batista, calling it "grandiose, inviable, and not self-sufficient for an enterprise like Nuclebras, which could not count on its own resources."

According to the Eletrobras president, the decision made by the government this past Wednesday was the best one possible: "It was a matter of losing the investments already made by the government or of doing what it did."

He discarded the proposition of postponing the nuclear plant projects in the current economic circumstances because doing so might definitively kill them.

However, Bhering recalled the Italian Government's decision, announced a month ago, that it was calling off four nuclear plant projects and adapting those under construction to operate on coal and natural gas: "Italy adopted that measure after calling for a plebiscite in which the people voted to dismantle the nuclear plants."

Navy Program Not Affected

PY0209024888 Brasilia Domestic Service in Portuguese
2200 GMT 1 Sep 88

[Excerpts] According to Navy Minister Admiral Henrique Saboia, the reorganization of the Brazilian nuclear program is being done in order to reduce the administrative apparatus linked to this sector and, in his opinion, the measure was necessary. [passage omitted]

The minister believes that although Brazil as of now will have a sole nuclear program, the parallel program being developed by the Navy will not be altered because the funds used for it come from the ministry's budget.

Enrichment Process Changed

PY0309131988 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Sep 88 p 22

[By Joao Borges]

[Text] Brasilia—The government has definitively given up all efforts to enrich uranium through the jet nozzle process in cooperation with the FRG and has decided to build a plant for the enrichment of uranium through the ultra-centrifuge process mastered by the Institute for Nuclear and Energy Research (IPEN) in the parallel project developed with the cooperation of the Navy in Ipero. According to a government source, the idea is to take advantage of the uranium enrichment plant installations in Rezende and to use them for the setting up of a new plant, but using the ultra-centrifuge process. The jet nozzle equipment will then be dismantled.

In a classified document that has served as the basis for the final discussions on the closing down of Nuclebras and the reorganization of the nuclear program, the National Commission for Nuclear Energy (CNEN) presented, among others, the following justification for the change: "In the fuel cycle sector, the impasse regarding the need for the government to decide between the jet nozzle and ultra-centrifuge processes (the jet nozzle process is expensive and has been abandoned industrially by the FRG, while the ultra-centrifuge process is totally national and industrially feasible)."

The decision to fully restructure the nuclear program with the closing down of Nuclebras and the transfer to the CNEN the responsibility to manage nuclear policy has been cloaked in extremely tight secrecy comparable only, during the current government, to the Cruzado Plan. Conducted by CNEN President Rex Nazareth with the support of the military ministers, the reorganization of the nuclear policy was reported to Mines and Energy Minister Aureliano Chaves just last week. But the minister did not know, for example, that the CNEN, tied to the Presidency of the Republic, would become the powerful organization in charge of nuclear policy. Nuclebras President Licinio Seabra was called to Brasilia last week to be informed by Aureliano Chaves about what will reportedly happen to the enterprise he was heading, but was not invited to give his opinion.

The "chronic delay" in the construction of the nuclear plants was one of the main factors in the government decision. The idea now is to install two nuclear plants to generate electricity beginning in 1993 in order to prevent the rationing of electricity in the southeastern region. Although expensive, to invest what is needed to put these plants into operation will be cheaper than beginning to build a hydroelectric dam.

Chile

Pinochet Addresses 'Open Letter' to Citizenry

PY0509150388 Santiago Domestic Service in Spanish 1030 GMT 5 Sep 88

[Text] In an open letter addressed to his fellow citizens entitled "To the Men and Women of My Fatherland", President Augusto Pinochet has stated:

In my capacity as a Chilean citizen and public personality, I have had the honor to loyally serve my fatherland, to whom I have always devoted all my efforts. I have also always tried to defend noble and worthy ideas that have allowed the implementation of a project that today, thanks to a joint effort, represents a growing reality.

The letter goes on to say that after all these years what has always prevailed in my patriotic spirit, beyond the praises, criticisms, and certain circumstances, has been the determination to conclude a project whose results all Chileans have begun to appreciate.

Pinochet then says that: I believe that the present moment is the most appropriate to think of Chile, in the difference between this nation of progress whose per capita income is one of the largest in South America and that sad and impoverished one inherited from Marxism.

The open letter then says that there is nothing wrong in witnessing how many nations look at us amazed, and even in a healthy manner envy us because they realize that Chile is one of the few Latin American countries, if not the only one, that has a great chance of pulling out of underdevelopment in the short term.

Pinochet adds: This soldier, who has no desire for glory or power, only wants to ask you for something: that your vote be for Chile, thinking of Chile, and loving Chile. When you cast your vote, bear in mind that democracy and freedom are not only tools of the political struggle but ways of expressing our most profound convictions through human beings.

We will cast our vote convinced that this is a country with a spirit of victory, that this is a victorious nation, a truly free and sovereign fatherland that has never been subject to foreign domination.

The chief of state notes that if the Chilean people ask me to govern each and everyone of them will also be part of the government and, jointly, we will continue to build the fatherland's grandeur, making Chile a land of true peace and harmony.

These were excerpts of the open letter that President Pinochet addressed to the Chilean citizens.

Ambassador to U.S. on Plebiscite Appointment
PY0209195188 Santiago Domestic Service in Spanish
1700 GMT 2 Sep 88

[Text] Chilean Ambassador to the United States Hernan Felipe Errazuriz has stressed that the United States believes the latest measures adopted by the Chilean Government reveal President Augusto Pinochet's true leadership.

According to the ambassador, Pinochet wants to lead the transition process without interruption and in a sustained manner, in keeping with the timetable that has been established for the restoration of full democracy.

Errazuriz, who is on a private visit to our country, emphasized that for foreign observers, Chile is a nation famous for its hospitality and not for its subservience. As hosts, he said, we must set the rules for the plebiscite, and visitors will have to respect them. The ambassador said that the designation of President Pinochet as candidate was not a surprise in the United States because the entire world was logically expecting that the candidate should be the person who has led the institutional process and who enjoys the broadest support.

Foreign Minister Announces Visit of UN's Volio
PY0209224888 Santiago Domestic Service in Spanish
1700 GMT 2 Sep 88

[Text] Foreign Minister Ricardo Garcia has announced that the Chilean Government authorized another visit to the country by UN special observer Fernando Volio Jimenez, who will come to Chile shortly before the plebiscite.

Garcia also said that Volio was officially informed of the government's decision to lift the ban on the return of exiles so that he can include this measure in his report on human rights in Chile.

In a news conference held a few minutes ago, the foreign minister said the government has always been concerned about the status of exiles. Now that this problem has been solved, the situation of exiles can no longer be used abroad to affect adversely our human rights record.

Garcia added that he will focus on the 5 October plebiscite in his next speech at the United Nations scheduled for the last week of September. He said he will touch on this topic not because it is felt that Chile must report on its domestic process, but because Chile has been a target of world attention in recent years. This stems basically from the fact that the Chilean Government has faithfully complied with its institutional process, which has been implemented in an orderly fashion to establish full democracy.

Regarding guarantees for the October plebiscite, Garcia said Chile cannot accept any type of foreign pressure because this is an exclusively domestic process, as was the election of the candidate. This decision was made by the Chilean society, he added.

Commenting on the situation of the Dignidad Colony, Garcia categorically stated that the Chilean Government fully observes diplomatic immunity and, under no circumstances will it change this position. He said the case of Dignidad Colony is not a stumbling block in Chilean-FRG bilateral relations.

Poll Shows More People Support Yes-Vote
PY0709001088 Santiago EL MERCURIO in Spanish
31 Aug 88 pp C-1, 11

[All figures as published]

[Text] According to a poll conducted by a University of Chile group, more Chileans support the Yes-vote than the No-vote. Thirty-seven percent of the interviewed people support the Yes-vote, 33 percent support the No-vote, and some 30 percent still have not made up their minds.

This poll interviewed the greatest number of people so far—22,000—in the 13 regions of the country. The results of this poll have a margin of error of 1 percent.

This poll is not based on the 1980 census, as were the other polls. It is based on censuses conducted by the same University of Chile group in 1985 and 1987 in 16 major Chilean cities.

Twenty percent of the poll was conducted in the field, and the interviews were made by free-lance pollers (who were not told what the poll was aimed at). The poll sampled all types of voters in the country.

Of the people who have not decided how they will vote, 52.2 percent support the government, 38.8 percent support the opposition, and 14.9 percent do not know whom they support.

In the rural areas, the Yes-vote wins 3 to 1 over the No-vote. Some 51.3 percent of the people interviewed in the rural areas support the Yes-vote, 18 percent support the No-vote, and 31.3 percent still have not made up their minds.

In the largest cities (Santiago, Valparaiso, and Concepcion) the situation is the opposite. There, 31 percent of the people support the Yes-vote, 35.8 percent support the No-vote, and 33.2 percent have not made up their minds yet. In all urban areas, 33.1 percent of the people support the Yes-vote, 35.5 percent support the No-vote, and 31.3 percent still have to decide.

In the specific case of the Metropolitan Region, the results of this poll are very similar to that of the other polls, except for a slight increase in the number of people supporting the No-vote: 32.5 percent of the people support the Yes-vote; 37.7 percent support the No-vote, and 29.8 percent still have not made up their minds.

Regional Results [subhead]

The poll shows that in the 2d, 3d, 4th, 5th, 6th, 7th, 8th, 9th, and 10th Regions more people support the Yes-vote than the No-vote.

In the 1st, 5th, 11th, 12th, and Metropolitan Regions more people support the No-vote.

In the regions where more people support the Yes-vote, people's preference for the Yes-vote ranges from 8 to 22 points over the No-vote. In the Second and Third Regions, the Yes-vote has 8 points more than the No-vote—47 percent for the Yes-vote, 25.6 percent for the No-vote.

In the Sixth Region, the difference is 14 points. In the Eighth Region it is 16 points: 40.2 percent of the people support the Yes-vote, 25.5 percent support the No-vote, and 35.3 percent still have not decided. In the Ninth Region the difference is 17 points. In the 10th Region it is 21 points: 47.3 percent support the Yes-vote and 26.2 percent the No-vote.

In the regions where more people support the No-vote, the difference in points ranges between 1.5 and 8. In the First Region 44 percent of the people support the No-vote and 42.5 percent support the Yes-vote. In the Fifth Region the No-vote has 1.9 points more than the Yes-vote—31.7 percent for the Yes-vote, 33.6 percent for the No-vote, and 34.7 percent undecided. In the 11th Region the difference is 6 points, and in the 12th Region it is 8 points.

Survey Reveals Majority Supports Yes-Vote

PY0209140688 Santiago Domestic Service in Spanish
1030 GMT 2 Sep 88

[Text] According to a survey conducted by the Center for Market and Public Opinion Survey (ESCOPUS), President Pinochet, who is the candidate of the Yes-vote, will obtain 56.4 percent of the votes in the plebiscite to be held on 5 October, while 43.6 percent of the people would vote no.

The nationwide survey, which this time included rural communities, revealed that among the undecided people there is increasingly stronger support for the Yes-vote. President Pinochet enjoys widespread support in most regions of the country, especially in rural areas. Thus far, the No-vote is winning only in Santiago.

The survey revealed an increasing support for the Yes-vote in all socioeconomic sectors and among men and women from all Chilean regions.

Social Democratic Party To Support Yes-Vote

PY0609014388 Santiago Domestic Service in Spanish
2300 GMT 5 Sep 88

[Text] Arturo Venegas, president of the Social Democratic Party [Partido Social Democracia], read an official declaration of his party, confirming its decision to support the Yes-vote in the 5 October plebiscite because it represents a positive future.

The declaration says that the No-vote has become twisted to such an extent that it now represents a return to the past and the UP [Popular Unity] administration. The document states: We do not wish to relive the UP administration, which did not respect the law or the Constitution and which publicly offended the Supreme Court of Justice by ignoring the law and not abiding by it, as was declared by the Supreme Court itself and the Chamber of Deputies on 22 August 1973.

The declaration concludes by saying: In face of this danger, and despite our disagreements with the regime, we have decided to support the Yes-vote because we are sure that in March 1989, the permanent articles of the Constitution will be in force with a civilian government that will permit dissent. Such a system will allow us to move toward the full social democracy toward which we aspire.

Demonstrators Attack Yes-Vote House

PY0609040088 Santiago EL MERCURIO in Spanish
31 Aug 88 p C-8

[Excerpt] Personnel of the Carabineros special forces last night rescued 15 people who sought refuge at the "House of the Yes-Vote," located in Penalolén District, after approximately 2,000 demonstrators raided and burned the "Lucia Hiriart de Pinochet Day Care Center" in the same district. The demonstrators damaged the house and a car rented by volunteers of this center.

This information was released by Jaime Espinoza, commander of the Carabineros special forces, who went to the health unit No 4 to find out about the violent incidents that occurred in the area.

Witnesses told Espinoza that the demonstrators set the day care center on fire and that some individuals fired shots and detonated bombs near the center. The demonstrators also burned a van rented by volunteers of the Yes-vote.

A group of 15 government supporters sought refuge in the House of the Yes-Vote in Penalolén. The house was also damaged.

"Carabineros called the firemen but demonstrators prevented the fire truck from moving; Carabineros personnel put out the fire with fire extinguishers. Those rescued were taken to the Nunoa police station, where they stayed for protection," Espinoza said.

Espinoza added that no arrests were made because the demonstrators dispersed upon the arrival of the special forces. [passage omitted]

Yes-Vote Office Bombed in Antofagasta

PY0509232188 Santiago Domestic Service in Spanish
1700 GMT 5 Sep 88

[Relay from Antofagasta by Aldo Soto]

[Text] The Antofagasta police are concerned over a bomb attack against the Antofagasta Yes-vote office and over a short blackout last night while the government-owned television station was broadcasting an interview with the president of the Republic. Such events are seldom experienced in the capital of the 2d region.

The first criminal act occurred Sunday at 2010, when the Antofagasta Yes-vote office fortunately was deserted. The bomb damaged the building's structure and many windows. The Antofagasta Yes-vote office leaders have not yet given an estimate of the cost of the damage caused by the explosion.

Unidentified individuals attempted to interrupt the electric power supply in Antofagasta last night at 2115 by throwing chains at the high-voltage powerlines in northern Antofagasta, near the Lautaro shantytown. This vandalism did not achieve its desired result, as the electric power supply was restored in just a few seconds.

Special police units are investigating the two acts.

These acts are at odds with the attitude of the No-vote supporters who yesterday held an officially approved rally at noon. The rally was held normally and without any incidents whatsoever. More than 1,000 people attended the rally.

FRENAO Office Headquarters Attacked

PY0609035488 Santiago EL MERCURIO in Spanish
1 Sep 88 p C-10

[Text] Yesterday Manuel Contreras Loyola, president of the National Front of Autonomous Organizations (FRENAO) and president of the General Confederation of Chilean Workers [Confederacion General de Trabajadores de Chile] (CGT), reported that the FRENAO headquarters was attacked by individuals whom he described as "professional agitators and promoters of violence."

The FRENAO headquarters is located at 162 Santa Lucia Street. According to Contreras, the FRENAO headquarters was the target of stones and shots by demonstrators "who claimed to be students and supporters

of the No-vote." This incident occurred on Tuesday, 30 September, at about 1800, while the FRENAO and CGT supporters were going to the Constitution Square to celebrate Pinochet's appointment as candidate for the plebiscite.

As a result of this incident, all the front windows of the four-story building were destroyed. In addition, FRENAO Treasurer Florencio Ramirez was attacked on the street and sustained minor injuries. Eleonor Gumera, FRENAO women's leader; Ramon Cid, FRENAO neighbors department leader; and Nelson Ramirez, the FRENAO youth leader in La Pintana District, were also attacked.

Electoral Campaign for Plebiscite Formally Begins

PY0609164088 Madrid EFE in Spanish
0725 GMT 6 Sep 88

[Text] Santiago, 6 Sep (EFE)—Last night opposition leaders and supporters of President General Augusto Pinochet uncovered their publicity weapons and formally began the electoral campaign for the plebiscite, which will decide whether President Pinochet will remain for another 8-year term.

According to the electoral law, the campaign will last 1 month. During this campaign, the two parties will be given 15 minutes on national television network, free of charge, to explain to 7.3 million viewers and potential voters why to vote yes or no at the plebiscite.

According to a previous decision by the National Television Council, the time schedule for political campaigns has been established for 2245-2315. According to statistics this is when the largest number of people over 18 watch television.

According to the results of lots cast last Thursday, the first 15-minute period went to the opposition forces grouped under the "Command for the No-Vote" against Pinochet.

Tonight the order will be reversed, and will continue alternating for the next 26 days; that is, until 3 days before the plebiscite in which the Chileans will decide whether Pinochet, 72, will or will not remain in power for the 1989-97 term.

The video cassettes with the propaganda for the no and yes votes were handed over on Sunday morning to the National Television Council, and were kept under lock and key until air time.

The opposition propaganda began with a catchy music "jingle" entitled: Happiness Is Coming. The video showed pictures of old and young men repeatedly saying no.

Then, Patricio Aylwin, chairman of the Christian Democratic Party, and spokesman of the 16 united opposition parties, spoke for 3 minutes, explaining the national situation and why the voters should vote no at the plebiscite.

Shots of Pinochet being nominated as the sole candidate, interspersed with taped remarks by the commanders in chief of the Armed Forces were transmitted next.

As the opposition's time came to a close, the three television channels went to network for 15-minute government spot. The first report seen was on "the country of the no."

This spot showed clips of street disorders and the shortage of goods during the Popular Unity Government; that is the coalition headed by Socialist Salvador Allende, who was defeated by the 1973 coup that let the current military regime to power.

Then it showed a section called: "Chile, the winner," showing different stages of national development, in addition to shots showing Pinochet visiting Valparaiso after the 1985 earthquake, and figures showing Chile as a leading fruit exporting country.

It went on showing Finance Minister Hernan Buchi answering a question on the significance of the increase in exports, and lawyer and journalist Hermogenes Perez de Arce, who gives his reasons for voting yes. The spot concludes with a report by the "National Renewal" Party, a supporter of Pinochet's candidacy.

Until the beginning of this 15-minute free television campaign, the opposition was without access to television.

According to repeated denunciations, however, the government and supporters of the regime have been spending millions of pesos on political campaigns through this media.

Although the law has no provisions for free electoral campaigns on the radio, both the opposition and followers of the official candidate have been using radio profusely for their campaigns, with songs, hymns, slogans, etc.

Regarding the press, the sectors opposed to Pinochet have been using the two independent newspapers and the four opposition magazines, while the campaign for the Yes-vote has been seen in practically all the media.

PDC President Says Situation 'Improving'

PY0209155688 Santiago Domestic Service in Spanish
1030 GMT 2 Sep 88

[Text] Patricio Aylwin, president of the Christian Democratic Party (PDC), has stated that the situation in Chile is improving, alluding to the lifting of the ban on those in exile. Aylwin, however, criticized the fact that television time is not equitably shared by all sectors.

Aylwin demanded the right of rebuttal to answer the call made by President Pinochet to the opposition, and he invited Pinochet to participate in a serious and respectful debate on television.

Aylwin said that the decision to put an end to exile is an achievement of the opposition, as are the measures adopted by the government to improve the situation as the plebiscite approaches.

PCCh Urges Opposition Sectors To Unite

PY0209125488 Madrid EFE in Spanish
2321 GMT 1 Sep 88

[Text] Santiago, 1 Sep (EFE)—The PCCh today urged Chilean opposition sectors to unite and to intensify their efforts to bring about "an international disruption" that would force General Augusto Pinochet out of power and would prompt the repeal of the 1980 Constitution.

Mireya Baltra and Jose Sanfuentes, members of the Central Committee of the outlawed PCCh, have also asked all members of the Armed Forces and Carabineros (militarized police) to vote "no" in the presidential plebiscite, "to not endorse fraud, and to promote democracy."

In a press conference, the PCCh members charged the military government with conducting a campaign against the PCCh. They said this campaign consists of attacks and acts of violence that are concocted by the government but for which Communist and opposition activists are blamed.

Commenting on the incidents that occurred on 30 August, when three people died and dozens more were injured following Pinochet's nomination by the Armed Forces commanders as the presidential candidate, Sanfuentes said: "The people must exercise their right to self-defense in the face of dictatorial repression."

Sanfuentes added: "We should follow this path, and no other: We will achieve victory only through our daily, hourly struggle."

Sanfuentes also urged opposition forces that did not allow the PCCh to join their campaign for the No-vote in the 5 October plebiscite to discontinue their policy of excluding the PCCh.

Sanfuentes said: "Democracy will not be achieved if an attempt is made to exclude a leftist group that upholds the most progressive, revolutionary ideas and that counts on the support of one-third or more of the people."

The PCCh obtained 10 percent of the votes in the last congressional election held in Chile in 1973, before the military coup that ousted President Salvador Allende.

Sanfuentes concluded by stating that if the "No-vote" wins at the plebiscite, "a provisional democratic government should be elected to call free presidential and congressional elections."

Navy Carries Out Maneuvers With Argentina
PY0209025888 Santiago Radio Chilena Network
in Spanish 2300 GMT 1 Sep 88

[Text] The Argentine and Chilean Navies carried out the [name indistinct] maneuvers in the Beagle Channel region on 30-31 August.

A total of four ships of the Chilean Navy and two ships, one airplane, and one helicopter of the Argentine Navy participated in the aforementioned maneuvers carried out in poor weather conditions near the border area.

The purpose of the maneuvers was to comply with international agreements currently in force which refer to rescue operations in the sea in areas of heavy maritime traffic, such as is the case in the Beagle channel region.

Magazine Director Indicted for Alleged Slander
PY0609122288 Santiago EL MERCURIO in Spanish
1 Sep 88 p C-10

[Text] Fernando Herreros, the director of the magazine CAUCE, has been indicted for allegedly slandering the Armed Forces by offending ad hoc military prosecutor Fernando Torres Silva. The ruling was handed down yesterday by Ricardo Carrasco, the head of the 4th Military Prosecutor's Office, who denied bail to Herreros.

Radio Station Director Released in Coihaique
PY0609033688 Santiago EL MERCURIO in Spanish
1 Sep 88 p C-10

[By Justo Beroisa]

[Text] Coihaique—Jorge Diaz, the director of Radio Ventisquero of Coihaique, was released after he was palced at the disposal of a military prosecutor. Attorneys Hector Zambrano Opazo and Roberto Hardy of the Human Rights Commission have reported that Diaz had been detained for allegedly offending the Armed Forces. Diaz was detained yesterday morning while he was driving two people to their homes, after they had been injured in incidents between demonstrators and Carabineros. Diaz showed signs of having been kicked and punched. He was reported to have minor injuries by the local hospital.

Colombia

ELN Guerrillas Blow Up Portion of Pipeline
PA0709004288 Paris AFP in Spanish
2308 GMT 6 Sep 88

[Text] Bogota, 6 Sep (AFP)—Today leftist guerrillas of the Army of National Liberation (ELN) resumed their terrorist attacks on the country's main pipeline after 2 months of a truce, and at a time when the government is waiting for a response from the guerrilla movement to a peace proposal.

The action by the ELN—which carried out 50 dynamite attacks during the first 5 months of this year on the 775-km pipeline that crosses the country from the east to the northwest—was carried out near kilometer 41, in Arauca intendency in eastern Colombia.

According to experts of the state-owned Colombian Petroleum Enterprise (Ecopetrol), the attack resulted in the spilling of an undetermined amount of oil and forced the temporary suspension of oil pumping.

Certain unofficial media interpreted this new attack as the ELN "response" to the peace plan that President Virgilio Barco announced on 1 August [date as heard]. The guerrilla movement has not yet given a formal response to this plan.

The ELN's violent attacks on the pipeline in the first half of this year resulted in \$235 million in losses and the spilling of more than 12 million barrels of oil.

Ecuador

Government Receives Peace Proposal From AVC
PA0709001488 Madrid EFE in Spanish
2050 GMT 6 Sep 88

[Excerpts] Quito, 6 Sep (EFE)—Alfaro Lives Dammit (AVC), the Ecuadoran leftist subversive group, temporarily kidnapped five reporters on Monday in Quito. The AVC told the kidnapped reporters that they are willing to lay down their weapons and talk to the government if President Rodrigo Borja keeps his campaign promises.

HOY's Tuesday edition reports that one of its correspondents was among the group of reporters kidnapped by the AVC and taken blindfolded to an unknown location where a news conference was held. The news conference was given by two masked terrorists who were protected by six heavily armed men. [passage omitted]

The masked men, seated in front of a large picture of Eloy Alfaro, the Ecuadoran liberal leader of the past century, said they were speaking on behalf of the AVC's central command. They said they were giving Borja's government 2 months to begin his dialogue with the AVC and other social sectors of the country, and 6 months to keep his campaign promises.

One of the masked men, who claimed he is an AVC commander, said that "If the campaign promises made by the Democratic Left (ID)—Borja's party that rules under the slogan of 'Now it is the people's turn'—are fulfilled, our organization will have lost its reason to exist."

The AVC commander added that, contrary to the political opposition, the AVC will not wait for the social democratic government to fail to justify its existence. The AVC will help the government keep its campaign promises.

Another hooded individual made a thorough study of the economic measures issued by Borja last week. These measures include state control of the economy's main operations.

The unidentified individual maintained that the AVC feels the government measure that returned foreign exchange control to the state is positive. However, he concluded: "It is not justified that large benefits are turned over to the oligarchy because of a lack of strict mechanisms to prevent a shameful plunder."

No government official has commented on the AVC announcement.

Paraguay

Opposition Leader's Phone Service Restored
PY0609160488 Asuncion EL DIARIO in Spanish
6 Sep 88 p 9

[Text] Phone service at the house of Dr Domingo Laino was restored at noon yesterday. The line was cut 8 months ago, on 12 February, only days before the presidential elections were held. Dr Laino was on a call from abroad when the line was cut. This information was provided by the opposition leader himself.

"At noon today we heard some noise on the phone, then we heard a voice saying that the phone service was being reconnected," Laino said. He said that was the way he found out that the phone service was restored.

Laino added that his phone number is the same one he had before, and that he was happy to again be able to use the phone to talk to people in the country and abroad from his own residence.

Peru

Foreign Minister Gonzalez on Debt, L.A. Issues
PY0209183388 Lima LA REPUBLICA in Spanish
28 Aug 88, pp 12, 13, 14

["Exclusive" interview with Foreign Minister Luis Gonzalez Posada by reporter Albert Brun in Lima - date not given]

[Text] [Brun]: Minister, when Peru took the initiative to create the Contadora Support Group, it also took steps toward the formation of the Group of Eight. In addition to the declaration creating the Group of Eight, what definite steps should be taken to make the declaration concepts, which lack perspective, more effective? The Group of Eight needs credibility. What is going to be done?

[Gonzalez Posada]: The Group of Eight was created to advocate agreement and peace. The Foreign Ministries of the member countries worked calmly and diligently to prevent a military escalation, and dissuaded other countries from planning any military invasion of Nicaragua. Our work for peace led to the signing of the Esquipulas agreement which is now unfortunately at a stand still.

The Group of Eight was created in Acapulco only 1 year ago. Our creation is very recent but we have made considerable progress in making contacts among presidents, in the identification of common problems, and in the search for overall solutions to improve our negotiating strength.

We are a young group. In the upcoming meeting in Punta del Este, all the projects will be transferred to an Action Agenda which, among other things, will include a dialogue with the developed north, and with the United States in particular. A great effort will also be made in favor of integration, the eradication of illiteracy, the strengthening of democracy, the transfer of resources outside the region, and the improvement of foreign debt policies. We are going to discuss the transfer of resources outside the region, and drug trafficking. Therefore, we are moving ahead with seeking integration.

[Brun]: A foreign diplomat has said the Peru has found its solution to the foreign debt. Mexican President-elect Salinas de Gortari said that the debt will not be paid if the country does not grow. Former Venezuelan President Carlos Andres Perez spoke in similar terms. Can the Group of Eight revive the Cartagena Consensus?

[Gonzalez Posada]: That is true. All countries are reconsidering how to deal with the foreign debt. There is now talk about forgiving the debt, the extension of payment terms, and a reduction in interest rates. The Canadians, Japanese, and even the Americans have talked about it. Everyone knows that Latin America cannot pay over \$400 billion. If we try to pretend that we can pay, then we will be ignoring the social emergencies of our people. Paying means destabilizing our democracies, and condemning ourselves to misery and death. There is already talk about the dark prospects of a few new Hitlers. We are not going to allow that.

[Brun]: And the decapitalization you mentioned at one time?

[Gonzalez Posada]: The figures speak for themselves. In 1970, 21 percent of our exports were used to pay the debt. By 1986 that figure had increased to 46 percent.

There are other serious figures: From 1982 to 1987 Latin America received \$59 billion in loans and investments. During the same period \$205 billion was transferred to the developed world in interest and profits. We allowed \$146 billion to slip out of our hands. Can you imagine what we could have done with that money? Pradoxically, we, the poor countries, have ended up decapitalizing ourselves, and increasing the wealth of the rich countries.

This is very serious if we consider that Latin American exports are currently 8 percent less than the value of exports in the early 1980's, and that our participation in world exports has fallen from 5.5 percent in 1980 to 4.3 percent in 1987.

In addition to that, the terms of exchange have deteriorated by 14.5 percent, urban unemployment has increased and real salaries have decreased.

The Group of Eight and the SELA [subhead]

[Brun] I believe that great hopes have been placed in the Latin American integration groups. There have been talks since last year about relaunching the SELA. Can the Group of Eight strengthen the SELA?

[Gonzalez Posada] The SELA represents an authentic Latin American expression. It works hard, with full responsibility and lofty goals, in order to affirm the path toward unity and integration.

The SELA coordinates its activities with other regional organizations, calling them to special meetings, identifying common problems, and implementing criteria to develop a Latin American thinking that will permit us to harmonize our negotiating power.

It is a long and difficult path. However, it is undeniable that we have made progress. Largely thanks to the SELA, we now have more affinities and can make arrangements for more consistent work. In the future, the SELA perhaps will become a Latin American Organization of Nations [Organizacion Latinoamericana de Naciones], as is the case in Africa, which has its own political forum....

No Investments in Peru [subhead]

[Brun] There is room for capital from the industrialized nations to be invested in Brazil, Mexico, and Taiwan. There is no such room in Peru. What room can Peru offer now in order to achieve modernization? What projects or projections have been made in order to attract capital?

[Gonzalez Posada] We are working hard. We have coordinated our foreign front so that Peruvian missions abroad do not become blind alleys.

To this effect, an interministerial committee, headed by Prime Minister Armando Villanueva, has been created. The idea is to act more energetically, efficiently, and sensibly.

With this goal in mind, the Foreign Ministry has made arrangements for a trade mission of the Association of National Exporters [ADEX] and we have told ADEX that all our offices and representatives abroad are at its disposal.

The ADEX is looking for export markets for Peruvian products. The ADEX is trying to attract capital and investments which would be beneficial for Peru. Thus, we must support the ADEX and encourage additional missions.

Furthermore, it is time for all of us to understand that the state is at the service of all Peruvians and that the national assets must fully support them.

We hope that this work will be continued.

Concerning the Foreign Ministry, we are in touch with the entire public sector and also with the private sector in order to work consistently and efficiently.

Difficulties With Ecuador [subhead]

[Brun] For Peru and for the guarantors of the Rio de Janeiro Treaty [concerning demarcation of boundaries with Ecuador], there are no border problems with Ecuador. There are rumors of a peace and nonaggression treaty, and rumors that Peru is preventing Ecuador from joining the Group of Eight. Can we discuss this?

[Gonzalez Posada] Ecuador is a brotherly nation. We are linked to Ecuador by historic, cultural, language, and racial ties. President Rodrigo Borja's Latin American and Nonaligned stand, and his clear position on common issues such as the foreign debt and the integration process are points that must prevail in our relations. These are the positive points that should link us. Thus, I think that now we must work toward a common goal. Peru is reaching out a fraternal and Latin American hand to Ecuador.

On the other hand, our position is clear and in compliance with the principles governing the international law, which, among other mainstays, is supported by a respect for treaties.

Concerning our relations with Ecuador, we must strengthen our concurrences, which unite us as Latin American nations, and stop stirring up the discrepancies. We must add and not subtract. We must multiply and not divide. We have many common problems, like the

one I just mentioned on the foreign debt, and the retrogression noted in the Andean integration process. These problems should prompt us to undertake joint ventures and implement binational projects to link us, as is the case with the Puyango-Tumbes [irrigation project].

New 'Gradual' Economic Measures Foreseen
PY0309155388 Lima Domestic Service in Spanish
1200 GMT 3 Sep 88

[Text] Senate Chairman Romualdo Biaggi Rodriguez has said that the ministerial crisis is not catastrophic or [word indistinct]. It is simply part of the democratic mechanism.

Biaggi said the ministerial reshuffle was a replacement of people within the framework of state management, and that this reshuffle should not alarm people.

Biaggi also said the government has been adopting a consistent and realistic economic plan aimed at solving the economic and financial crisis being experienced in the country. Senator Adolfo Guevara Velasco has said that the replacement of the ministers is aimed at better carrying out the measures announced by the president of the Republic to fight inflation.

Guevara Velasco also said that Abel Salinas' appointment to the Economy and Finance Ministry will give the government program more dynamism.

Senate First Secretary (Esteban Anpuero) has said that the ministerial reshuffle was caused by different opinions regarding the adoption of drastic or gradual solutions for the economic problems. (Anpuero) also said that within 15 days the government will release new economic measures to fight inflation. These measures will be gradual, not drastic, (Anpuero) said.

New Mines, Energy Minister on Future Goals
PY0209002488 Lima Television Peruana in Spanish
1800 GMT 2 Sep 88

["Exclusive" interview with Mines and Energy Minister Jose Carrasco Tavera by reporter Oscar Eduardo Bravo in Television Peruana studio—live]

[Text] [Bravo] Good afternoon, this is your first interview as a minister of the Republic.

[Carrasco] Yes, good afternoon.

[Bravo] We congratulate you for the promotion as a professional and as a politician from a party which has worked hard for many years and which, at the moment, appears to have some difficulties. You are currently assuming a very big responsibility. How do you feel about it?

[Carrasco] I feel very honored by the confidence shown by the president of the Republic and the president of the council of ministers in me. They have been very generous to appoint me as mines and energy minister.

I think that we will improve things with a lot of effort, dedication, and studies.

[Bravo] The appointment of Abel Salinas as economy minister is a great credit to the party, since he first served as interior minister and then as mines and energy minister. Will Abel Salinas get the country out of the economic crisis?

[Carrasco] Abel is not the only one who must try to get the country out of the crisis, but all the ministers as well, along with the rest of the population which must also contribute.

The current situation is unfavorable for the government party given the permanent inflation and the middle economic agents, which promote speculation, and consequently, great unhappiness among the people.

Therefore, we must work together. I do not mean just one individuals, but a group of people who must continue working.

[Bravo] Do you think this new cabinet will save the country from runaway inflation? This is one of the principal problems.

[Carrasco, interrupting] Yes, our main economic goal is to curb inflation. We want to reduce it to a minimum and bring general well being to the people.

[Bravo] Which ministry changes can you confirm? Can you confirm the exclusive news we just reported? [Refers to the appointment of Cesar Delgado Barreto as justice minister]

[Carrasco] Yes. I know that Ivan Garcia will be the industry minister, Camilo Carrillo will be the transportation minister, and Senator Cesar Delgado Barreto will be the justice minister.

[Bravo] Are those the only cabinet changes?

[Carrasco] Yes, those are the only ones we know about so far.

[Bravo] Have all the ministers resigned?

[Carrasco] I do not know.

[Bravo] Is the president ratifying his ministers one by one?

[Carrasco] I do not know.

[Bravo] What are your main objectives and goals as head of the Mines and Energy Ministry?

[Carrasco] The idea is to continue with this administration's mines and energy policy, which is open and pluralistic. It has clear objectives, like helping the country develop and generate foreign currency through the export of minerals.

We want to cease being oil importers in order to stop the currency flight from the country. We want to develop the energy sector because many of our towns do not have electricity. They must at least have the hope that they will receive electricity before this administration ends.

[Bravo] Minister, you have been one of the main defenders of the Camisea gas project. What will be your position now in face of the international bid for its exploitation?

[Carrasco] This is a very complex subject. Right now I cannot say what will happen.

[Bravo, interrupting] Do you think that you could sign a contract for the definite exploitation of the Camisea gas deposit?

[Carrasco] I favor foreign investments in the exploitation of hydrocarbons. Therefore we will actively promote foreign investments. We want to show attractive investments here for the exploitation of our resources which we need so much. This is a goal I think all of us want.

[Bravo] Many people prefer the word change to the word crisis. Vice President Luis Alberto Sanches, in an article in CARETAS magazine, spoke of the meaning of a cabinet crisis. Has this so-called crisis been overcome?

[Carrasco] To begin with, I do not think there has been a cabinet crisis.

[Bravo] Then, it was a change.

[Carrasco] The president of the Republic and the president of the council of ministers believed it to be a necessary change. They wished to allow a younger perspective on this difficult economic process.

[Bravo] Why was Minister Arteaga dismissed?

[Carrasco] I really do not know.

[Bravo] Some changes have really been surprising. Has the fact that Cesar Delgado Barreto is a defender of justice and human rights prompted his appointment as justice minister?

[Carrasco] Naturally, respect for human rights is included in our political program. We want the country to live within a framework of justice. Delgado Barreto is

a lawyer, a jurist, and a senator. He is an ally of the ruling APRA party; therefore, I think that he has the qualifications to be a successful justice minister.

[Bravo] When will your appointment be effective?

[Carrasco] After the swearing-in ceremony.

[Bravo] When is that?

[Carrasco] Today, at 1800 [2300 GMT].

[Bravo] Today at 1800 in the Golden Hall of Government House?

[Carrasco] Yes.

[Bravo] Have you already started working on some of your sector's problems?

[Carrasco] Of course. As member of the APRA party we have always worked on specific areas. My area since the beginning of this administration has been in hydrocarbons and energy. Therefore I am fully acquainted with the problems in this field. Now we will have more work today.

[Bravo] There is a current problem which we hope is temporary. There is gasoline and kerosene shortage in Cusco, Madre de Dios. Will their supply be normal again soon?

[Carrasco] The problems in Madre de Dios are the road conditions, weather factors, rains and floods which sometimes hinder the normal supply of fuel. Therefore, we must adopt some precautions.

[Bravo] Minister, we thank you very much your presence here on television, in this exclusive interview. All Peru now knows we have a new minister, a young man who is decided to bravely defend his fundamental principles. We congratulate you as journalists, Peruvians, and friends. We wish you success and fruitful work. Thank you.

[Carrasco] Thank you.

New Transportation Minister To Fight Inflation
PY0309190888 Lima Domestic Service in Spanish
1200 GMT 3 Sep 88

[Text] New Transportation Minister Camilo Carrillo has said that his sector will adopt strict austerity measures to reduce inflation.

[Begin recording] [Unidentified reporter] [Question indistinct]

[Carrillo] One can never be entirely satisfied because one can never fulfill all the plans that one makes. Some projects for a broader reorganization of the Justice

Ministry aimed at making it into the kind of judicial branch the country needs could not be entirely completed. I have the great satisfaction, however, of having done my best to serve my country well, through honest and hard work.

[Reporter] [Words indistinct] first measures as transportation minister?

[Carrillo] Well, first of all I have to go to my office at the ministry, which I have not yet entered. I cannot yet announce the first measure I will adopt. I can tell you, however, that these measures will be aimed at establishing an atmosphere of strict austerity and at drastically reducing inflation, which is the scourge of our economy.

[Reporter] Is it true that the transportation sector is in a state of emergency, Mr Minister?

[Carrillo] The Lima transportation sector is in a state of emergency, but not the whole national transportation sector. Certain sectors of Lima transportation, such as the Lima urban transport sector, are in a state of emergency. I would like to point out, however, that the Peruvian economy is undoubtedly in a state of emergency, and that we will concentrate our efforts on fighting inflation. The measures adopted by all ministries, not just by the Economy Ministry, will be aimed at fighting the great scourge of inflation that harms the economy of the people. [end recording]

Institute Reports Inflation at 243 Percent
PY0309031288 Buenos Aires TELAM in Spanish
0056 GMT 3 Sep 88

[Text] Lima, 2 Sep (TELAM)—Today the National Statistics Institute reported that the August inflation rate totals 21.7 percent.

The accumulative inflation rate from January to August totals 243 percent.

According to an official Peruvian Government source, the inflation rate in the last 12 months totals 355.9 percent.

Presidential Secretariat Communique on Security
PY0709064088 Lima Domestic Service in Spanish
0358 GMT 7 Sep 88

["Official Communique" issued by press secretariat]

In accordance with the constitutional provisions, the government guarantees the domestic public order. In this regard, the Armed Forces and the police have received the appropriate instructions to prevent any attempts or actions which seek to disrupt normalcy or public tranquillity.

In addition, it is appropriate to recall that Lima Department and Callao province, as well as other provinces, are under a state of emergency.

Therefore, all the public services, transportation, supplies, the operation of the marketplaces, school attendance, and so forth will continue normally.

Lima, 6 September 1988.

Press Secretariat of the Presidency of the Republic

Drug Gang Arrested; Supreme Court Questioned
PY0309032488 Madrid EFE in Spanish
2323 GMT 2 Sep 88

[Text] Lima, 2 Sep (EFE)—It was reported here today that the Peruvian police have discovered a gang of drug traffickers as important as the so-called Villa Coca gang, which is currently being tried in the courts.

The gang, in which some local businessmen seem to be involved, was exporting drugs in ships. The cocaine was concealed inside containers.

Police confiscated 30 kg of cocaine to be sent to the United States and Canada inside car tires. The Interior Ministry has reported that 10 drug traffickers have been arrested to date.

The Peruvian antidrug police division has not divulged the names of the criminals in order not to alert other drug traffickers.

However, police think that the gang is as large and powerful as the one headed by Reynaldo Rodriguez Lopez, alias El Padrino, who is currently being tried along with other members of his gang.

Rodriguez' gang was arrested in July 1985, when a cocaine laboratory exploded inside one of Rodriguez' mansions in Lima.

Since then, this drug trafficking case has become known as the Villa Coca case.

Interior Ministry sources reported that several businessmen are involved with the new drug trafficking gang that has been uncovered.

Police carried out surveillance at a location near Lima where the drug traffickers carried out their criminal activities.

The police raided a mansion in the Las Casuarinas neighborhood where according to newspaper reports, two well-known Lima businessmen and two foreigners were arrested.

Other houses were also raided in San Borja, San Isidro, and Salamanca Districts in Lima.

According to the newspaper report, cocaine was found hidden inside bags placed under the swimming pool tiles in the Las Casuarinas mansion.

Meanwhile, charges were raised in the Chamber of Deputies against four Supreme Court members for lying.

Those Supreme Court members acquitted the alleged drug trafficker Persiles Sanchez on 7 August causing a scandal that has shaken Peruvian society.

The Senate will now judge whether or not the judges are guilty.

Alleged Shining Path 'Terrorists' Kill Over 20
PY0509025688 Madrid EFE in Spanish
2342 GMT 3 Sep 88

[Text] Lima, 3 Sep (TELAM-ANSA)—More than 20 people were killed in subversive actions in the past few hours in Lima and in the Peruvian departments of Ayacucho, Puno, and Junin.

It has been reported that 18 peasants were killed in the Indian town of Chullas, Machente District, La Mar Province, in the extremely agitated department of Ayacucho, which is located in the southeast Andean region. The peasants were reportedly killed by members of the Shining Path terrorist organization for cooperating with the forces of order.

Two civil guardsmen were killed in Azangaro Province, Puno Department, where subversive actions have increased over the past few months.

In Lima, a civil guardsman was shot dead by Shining Path terrorists, while another civil guardsman who was accompanying the victim was seriously wounded.

In Huancayo, in the central Andean region, the Shining Path attacked a rural community and killed the head of the peasant militia, Humberto Calderon Montalvan, the police said.

'Terrorists' Kill 1, Wound 1 in Attack
PY0309025488 Lima Television Peruana in Spanish
0100 GMT 3 Sep 88

[Text] One Civil Guard member was killed and another security forces member was wounded during a cowardly terrorist attack perpetrated this afternoon in the Miraflores neighborhood.

The attack was perpetrated when the two policemen asked to see the documents of four alleged terrorists who were sitting inside a vehicle suspiciously parked on block No 4 on Alcanflores Street, Miraflores neighborhood. In response to the forces of order's demand to see their documents, the terrorists fired several shots at point-blank range.

The policeman who was killed was identified as Juan Albites Quispe, who was posted at the 32d Republican Guard station in Miraflores. His partner, Magno Lopez Ramirez, was wounded.

The bodies of the two policemen were picked up by the terrorists and dumped in different locations.

Uruguay

Navy Purchases French Destroyer for Patrolling
PY0709015188 Montevideo EL DIA in Spanish
2 Sep 88 p 10

[Text] Yesterday, the National Defense Ministry reported that the Uruguayan Navy has purchased a destroyer from the French Navy. The destroyer will be delivered to the Uruguayan Navy in early 1989. It will be commissioned to patrol Uruguayan territorial waters.

The National Defense Ministry communique adds that the destroyer will replace other state-owned ships "that are obsolete because of their condition and age," and that the destroyer will be paid for "with unbudgeted funds" resulting from the sale of the tanker "Juan Antonio Lavalleja" and other ships.

The communique states that "because of high costs, the Uruguayan Navy ruled out the purchase of new ships," opting for the destroyer currently being negotiated. The destroyer, which was built in 1963, will be repaired by the Uruguayan Navy at low cost.

Information gathered by EL DIA indicates that the destroyer is of the "Commandant Riviere" class and that the negotiations could include two other ships that would only become available in 1990.

The transaction involves about \$15 million, including the training of the ship's crew and the repair work.

The sources contacted have described as "indispensable" the purchase of new ships because it is very difficult to patrol the territorial waters with the current one.

The sources said that due to their characteristics, the warships of the Uruguayan Navy involve a high maintenance cost and do not have enough speed to chase and capture the fishing boats violating the fishing laws.

Guyana

Government Seeks Moratorium on Foreign Debt
FL0209133388 Bonaire Trans World Radio in English
1130 GMT 2 Sep 88

[Text] A top Guyanese official says that the government is seeking a 3-year moratorium on its foreign debt payments. Finance Minister Carl Greenidge told a

Rotary Club meeting that the government of President Desmond Hoyte wants to reschedule its \$1.2 billion debt on terms consistent with Guyana's ability to pay.

Import License Liberalization Announced
FL0709014888 Bridgetown CANA in English
1537 GMT 6 Sep 88

[Text] Georgetown, Guyana, Sept 6, CANA—Guyana has announced a liberalisation of its import policies, with effect from September 1.

Trade Minister Winston Murray said that government approval for import licenses will now be automatic for goods that do not require the release of foreign exchange by the Central Bank. The government has also slashed and revised its list of items whose importation is banned.

The state media here said the announcements were made by Murray when he addressed a special meeting attended by representatives of the Georgetown, Linden and Berbice Chambers of Commerce, the Guyana Manufacturers Association, the Export Promotion Council, the (Central) Bank of Guyana and the Customs and Excise Department.

According to the government-run CHRONICLE newspaper, the list of non-food items which are no longer banned includes carpets, rugs, mattresses, linen, furniture for the office and the home, building structures and other parts, motor cars, detergents and paints. These developments are seen here as part of a drive to remove some of the red tape bedeviling Guyana's import-export business and to lay the groundwork for some of the traditional International Monetary Fund (IMF) conditionalities as the government continues talks with the fund for a possible balance of payments support agreement.

Murray told the meeting that after reviewing the items prohibited from entering the country, it was decided to revise the list and an order to that effect was signed August 28. He stressed, however, that with government's emphasis on food security and on self-reliance in food, several food items will still remain on the prohibited list. The CHRONICLE said those items on which the ban has been lifted have, however, been placed on the list of restricted items. The full list of items still on the banned list is expected to be published in the official gazette this week.

Murray recalled that the government's licensing system, which has been frequently criticised by the local business sector, was put in place to give priority to the importation of goods for use by the productive sector and was based on the availability of foreign exchange. He said that by the turn of the 1980's non-foreign exchange transactions for the importation of goods had started becoming common and the ministry began to reassess the licensing system.

During this review and reassessment the ministry found that there were many illegal transactions taking place with some importers buying foreign exchange on the parallel market or smuggling gold out of the country to get hard currency. There were also cases of "under-invoicing" and "over-invoicing" Murray said. He said that while, formerly licences had to be obtained for importing goods valued 500 dollars (Gdrl.00 equal 10 U.S. cents) and more, importers are now required to obtain licences only if the goods being brought in are worth more than 1,750 dollars. The licencing system, he added, will be dispensed with as the flow of foreign exchange to the Central Bank increases.

The trade minister also noted that from May this year an order was signed abolishing the need for Guyanese to first obtain import licences when importing items that do not involve foreign exchange transactions.

Dealing with the question of Guyana's trade with the rest of the Caribbean Community (Caricom), Murray reportedly told the meeting that Guyana's trade with Caricom must be seen in the context of this country's current foreign exchange difficulties and its deep indebtedness to members of the regional grouping.

Guyana, he reminded the gathering, has signed an order to facilitate free trade in the Caribbean Community for goods which originate in the region and which meet the rules of origin criteria. This order takes effect from October 1 and was made in keeping with Caricom's decision to remove barriers to intra-regional trade.

Executive secretary of the Georgetown Chamber of Commerce and Industry, George Fung-on welcomed the relaxation of the licencing system, but said the local manufacturing sector needed vital inputs to help manufacturers to be cost effective and competitive if they are not to be at a disadvantage when Caricom trade is fully liberalised. Murray contended however, that Guyana's trade with the rest of Caricom must be seen in a framework of what Guyana can export to Caricom and what Caricom states import from Guyana. Guyana, he said, will be able to import as much as it exports.